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Tariff Disagreement Delays Mercosur Summit

PY0407162294 Sao Paulo AGENCIA ESTADO in Portuguese 1900 GMT 1 Jul 94

[By Vladimir Goitia]

[Text] Sao Paulo, 1 Jul (AE)—A decision on Mercosur's [Common Market of the South] Common External Tariff (TEC) has been postponed once again. The meeting of the Mercosur Council, which is made up of the presidents and economy ministers of Brazil, Argentina, Uruguay, and Paraguay, will be held on 2 August in Buenos Aires. The meeting had been scheduled for 15 July, when a decision on the tariffs that will be enforced as of 1 January 1995 was to have been announced.

One of the reasons for again postponing a decision on the TEC was to allow more time for technical discussions given the lack of a consensus on the subject. According to the technical groups' last meetings, there are many differences. Even though it has been said that an agreement has already been reached on 87 percent of the items, with tariffs ranging from zero to 20 percent, Paraguay and Uruguay insist that there are still many differences affecting many items.

Problems affecting the remaining 13 percent of the items, on which external tariffs will be gradually enforced until 2001 or at the latest until 2006, are even more serious. There is no consensus on the list of exceptions either. Brazil, Argentina and Uruguay have reportedly agreed on a list with a maximum of 200 items. Paraguay wants a longer list. Origin rules and duty-free zone regulations have not been defined either.

Claudio Billig, duty-free zone adviser to the Uruguayan Economy Ministry, has said that a definition on duty-free zones within Mercosur will still take some months because no consensus has yet been reached on the subject. "No progress has been made in the negotiations and thus far, technical meetings have only served for the presentation of proposals and demands by each country," he said.

Billig questioned the claim by Brazilian and Argentine entrepreneurs, who want more incentives for the Manaus and Tierra del Fuego duty-free zones in order to be able to compete with the Uruguayan duty-free zones. He said that if the Argentine and Brazilian Governments yield to private sector pressure for new subsidies for the Manaus and Tierra del Fuego duty-free zones, negotiations over the subject within Mercosur will be even more seriously harmed.

Billig added: "They are using that subterfuge to obtain more incentives in order to compete with imported products, now that the Brazilian economy is being liberalized." He said that new incentives for those duty-free zones will go against the Mercosur philosophy. "The regional market's target is precisely to cut all types of subsidies to the private sector," he said. He claimed that the Manaus duty-free zone costs the Brazilian Government $1 billion a year. In this case, he said, "Uruguayan entrepreneurs will also have to ask for more subsidies on several products in order to compete with Brazilians and Argentines."

According to Billig, Uruguayan duty-free zones are in no way dangerous for Brazilian and Argentine duty-free zones because in addition to being smaller, they do not produce the items produced by Manaus or Tierra del Fuego. "We do not have the electrical home appliances or electrical and electronic equipment that they produce," he said. Billig reported that Uruguayan duty-free zones have, among other products, diapers and parts for cars, bicycles, and air conditioners. The strongest area in those zones, Billig said, "is their commercial sector, which operates like a depository for products that are exported to Argentina." Among such products, Billig mentioned European cars, beverages and raw materials for the chemical sector.

Here are the areas in which there is, or is not, consensus about the TEC:

There is consensus about: agricultural and livestock products, as well as agroindustrial products (chapters 1 to 24); minerals (25 to 27); leather, wood, paper, and textiles (41 to 67); stones, metals and steel industry (68 to 83); watches, toys, and other similar products (91 to 97).

Near consensus: chemical industry (chapters 28 to 40), aeronautics industry (only a preliminary accord).

Facing problems: several types of machinery and equipment (chapter 84). Out of 860 items, there has been an accord on only about 175, which are to be purchased by consumers.

Presenting serious problems: Capital goods (no agreement has been reached on about 563 items). Argentina wants a 12 percent tariff and Brazil proposes 14 percent. Paraguay and Uruguay resist and want zero tariffs for the sector.

Informatics—no accord has been reached, although there has been a preliminary accord for tariffs that range from 14 to 20 percent (probably for personal computers) and 6 to 8 percent for other items.

Railway material—Brazil and Argentina propose between 12 and 16 percent.

Naval industry—There are 19 pending items and only six on which agreements have been reached. Brazil wants a 20 percent tariff for ships.

Optical and photographic instruments—Of the 295 items, agreements are still pending on 94. Brazil proposed tariffs ranging from 18 to 20 percent, while the other three countries want the same tariffs that apply to capital goods.

Trucks, tractors and buses—Discussion is still under way and no preliminary agreement has been reached on these items, which are not included in automobile sector negotiations.

Mercosur Members Reduce Customs Duty 89 Percent

PY0407205594 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1539 GMT 4 Jul 94

[Text] Brasilia, 4 Jul (AFP)—Diplomatic sources have told AFP that the next to last customs duty reduction among Argentina, Brazil, Paraguay, and Uruguay entered into effect on 1 July. The reduction is part of the process leading to the creation of a free trade zone among the four countries by January 1995, which will be the first step toward the formal implementation of Mercosur [Common Market of the South].

In accordance with the Asuncion Treaty, which on 26 March 1991 marked the birth of the subregional integration process, on 1 July, the drop in customs duties among the four Mercosur member countries reached 89 percent, while the list of exceptions was reduced 20 percent.

Customs duties for this subregional trade zone started to drop in November 1991. On that day, member countries implemented a 47 percent cut in duties among themselves. From then on there were reductions of 7 percent per month until the current 89 percent was reached. The reduction will reach 100 percent in January 1995.

Commercial protection will continue for 12 months for some 100 Paraguayan products and nearly 200 Uruguayan products. This was agreed in the Asuncion Treaty considering Paraguay and Uruguay's relatively lower development.

The free trade zone, with the introduction of subregional trade without barriers from the first day of 1995, will be completed with a common external duty that is still being negotiated and which is to be defined at the next Mercosur summit, which is to be held in Buenos Aires on 4 August.

The group has already decided that the external tariff will vary between 0 and 20 percent, but the level of protection for each production sector, the list of exceptions, and the deadline for their progressive elimination must still be decided.

It is estimated that approximately 10 more years will be needed before the coordination of macroeconomic policies and the free circulation of productive factors (capital and work) can be fully implemented.

Caricom Leaders Meet on NAFTA, New Headquarters

FL0407132694 Kingston RJR Network in English 1200 GMT 4 Jul 94

[Text] The prime minister of Antigua and Barbuda, Lester Bird, is supporting Jamaica's bid to become the headquarters of the Association of Caribbean States [ACS] when that body becomes a reality. The show of support came at last night's opening ceremony of the 15th Caribbean Common Market [Caricom] heads of government summit in Barbados. Moira Thomas is in Barbados, and he joins us for this report:

[Begin recording] [Thomas] Mr. Byrd said there was no room in Caricom for mixed signals to be sent and with one vote the community should support this (?simple) location. He said Jamaica has always lent itself as a bridge in the region and, for Caricom and [words indistinct], Jamaica should be the choice. Mr. Byrd stressed immediately after [words indistinct] part of Caricom [words indistinct] the headquarters of the ACS [words indistinct]. In other matters, the Antiguan prime minister also warned against individual nations making (?personal touch) with the North American free trade area agreement, NAFTA:

[Byrd] My government remains (?independent), but the Caribbean mutual relationship provides our countries, individually and collectively, with the best chance of survival. And while membership of NAFTA on clearly agreed terms indeed could (?complete the terms) [words indistinct] of our countries, with a desire to grow, we strongly feel that such terms would be better negotiated on a collective basis.

[Thomas] Earlier in the day, at a preconference meeting, Jamaica's prime minister, P.J. Patterson, said a firm Caricom plan on NAFTA was a priority and he urged that over the four-day conference some real headway will be made on that issue. [end recording]

Cuba

U.S. Naval Station Linked to Haitian Issue

PA0207030194 Havana Radio Havana Cuba in Spanish 0000 GMT 2 Jul 94

[Commentary by Roberto Morejon from the "Evening Information Review" newscast]

[Text] During a hearing at Congress, U.S. President Bill Clinton said the military option concerning Haiti is open. This threat, in addition to a true danger to Haiti's sovereignty, confirms the role the U.S. Government has assigned Guantanamo Naval Station regarding its interventionist plans in the Caribbean. Pentagon strategists view the enclave, illegally installed on Cuba's easternmost tip, as a springboard for an eventual intervention in Haiti, as confirmed by the current military deployment at the base.

Division General Ramon Espinosa, head of Cuba's Eastern Army, warned a few days ago of the increasing U.S. combat readiness at Guantanamo Naval Station, which Washington seized early in the century after its participation in Cuba's war against Spanish colonialism. Espinosa believes this reinforcement could be preparation for a future intervention in Haiti, where the coupists refuse to step down despite UN sanctions.

The United States uses Guantanamo Naval Station, however, for other purposes also linked to the Haitian issue. The U.S. Government has decided to again use the installation as a processing center for thousands of Haitian refugees fleeing the terror imposed by the Army in their country.

Although the White House has said the use of the base for this purpose is only temporary and to determine whether the current wave of refugees is permanent or temporary, any observer can see the flow of Haitians will persist as long as sanctions continue to tighten, the threat of an armed foreign intervention persists, and military repression is heightened; therefore, the naval base as an inhuman storage center for Haitians could continue for any length of time, and this adds another factor to the disagreement with Cuba over this enclave.

Cuba's sovereignty will continue to be undermined as long as the United States continues to occupy a portion of the national territory and, to add insult to injury, uses it as a humiliating storage center for foreigners and a logistical center for eventual armed interventions.

Envoy Warns of U.S. Military Intervention in Haiti

PA0307045194 Mexico City NOTIMEX in Spanish 0159 GMT 3 Jul 94

[Text] Mexico City, 2 Jul (NOTIMEX)—Today, the Cuban ambassador in Mexico, Abelardo Cuberlo Padron, said a U.S. military intervention could be directed against Haiti. Nevertheless, the Cuban Government believes it cannot rule out a similar scenario happening to Cuba.

The Cuban diplomat said Havana has not ruled out U.S. intervention following Washington's decision to utilize the Guantanamo Naval Station as a temporary shelter for Haitians seeking asylum.

"The United States should ask for authorization to use the military base with the liberty with which it is so doing because they have transformed the base into an operations center from where to conduct their policy toward Haiti and, obviously, an armed intervention," the ambassador said.

Whenever these military movements take place, "even though they are directed toward Haiti, we Cubans look at it as a likelihood the United States may turn toward our territory."

It is a situation of internal stress, given we have to take measures "even if at this time, they are speaking about Haiti. They will have to think twice concerning Cuba, but we are not ruling it out because they could try an undertaking of this nature given the existing circumstances."

This Saturday, the United States decided to utilize the Guantanamo Naval Station in Cuba to provide temporary shelter for the Haitian refugees, the number of which surpassed 6,000 this week, seeking political asylum in the United States.

According to the UN high commissioner for refugees (UNHCR), the number of refugees looking to flee Haiti due to the repression and the blockade could increase to more than 100,000 during the next two months.

Haiti is mired in a political and economic crisis following the 29 September 1991 coup headed by General Roaul Cedras, which toppled President Jean-Bertrand Aristide.

Following the failure in diplomatic negotiations to convince the Haitian military to step down and allow Aristide's return, the UN Security Council has decreed a virtual total embargo against Port-au-Prince on this past 22 May.

The Cuban ambassador expressed his optimism, however, over Canada's decision to renew trade relations with Cuba because this is part of the process of opening that is taking place throughout the continent toward the island. "This is evidence of an expansion in relations, as well as an understanding of what the U.S. unilateral policy toward Cuba really means," he said.

Cuberlo believes this decision also represents a repudiation of the blockade which Washington has maintained against Havana for more than three decades and "which is killing the Cuban people."

The diplomat said his people trusts the Latin American countries will adopt this same decision in the short term, given it is a decision that means a great deal concretely but also symbolically, spiritually, and politically.

Robaina: U.S. Summit Might Be 'Spectacle'

PA0107200694 Mexico City NOTIMEX in Spanish 2311 GMT 30 Jun 94

[Report by Hugo Sergio del Aguila]

[Text] Caracas, 30 Jun (NOTIMEX)—Cuban Foreign Minister Roberto Robaina says the hemispheric summit called by the United States "might turn into a spectacle" because Cuba will be discussed even though Cuban representatives have not been invited to the event.

In an interview with NOTIMEX, the diplomat said Cuba is not opposed to the effort (that will take place in December in Miami, United States); it is only concerned about the negative things that could emerge from it, although he expressed hope that the continent's problems will be discussed.

Robaina is in Venezuela, where on Wednesday he and his counterparts from several countries, deputy ministers, and other delegates attended the ministerial meeting to approve the agreement for the formation of the Association of Caribbean States [AEC].

Robaina said: "Any reasonable person must understand the importance of a meeting between Latin America and the United States; I wish it had been done earlier and [word indistinct] results."

Robaina said his skepticism about summits that are held without agendas previously prepared by its participants and which exclude countries "raise suspicions regarding their real goals." "No country would like this summit to be successful more than Cuba, but it is difficult to believe this will happen when the site of the meeting is decided arbitrarily or unilaterally and when there is no consultation concerning the issues that will be discussed," he said.

The hemispheric summit was called by U.S. President William Clinton to discuss international trade and the issues of greatest concern to the heads of government of Latin America, with the exception of Cuba. Clinton has asked the "democratically elected presidents" to enrich the agenda.

According to Foreign Minister Robaina, what matters most about the AEC's formation is that the agreement is a reality; furthermore, it is the result of a subregional initiative.

Pacific Basin nations view the AEC as a tool for complementarity, "not as a source of competition among ourselves; furthermore, it will prove to the world that regardless of how small and poor we are, together we will have a strong voice," he added.

Robaina admitted that "there were pressures" to exclude Cuba from the AEC and pointed out that a decisive factor was the Pacific Basin countries' assertion that "the Caribbean is the Caribbean with, not without, Cuba," with which they cleared the hurdle.

"I believe that at present Cuba and the world are satisfied that the American countries are acting much more independently than they did 80 years ago, and more nations are doing what Mexico never stopped doing," he said.

Robaina said pressures continue to isolate Cuba from integration agreements, "but life has proven with actions, we have proven with resistance, and the Caribbeans and Latin Americans have proven with autonomy that their relationship with Cuba does not depend on third parties, regardless of how powerful they may be."

He pointed out that Cuba has a lot to learn about trade and economy from nations in the subregion, but it also has a lot to contribute in health, education, science, and sports.

Roberto Robaina pointed out that the participation of the Group of Three (G-3), formed by Colombia, Mexico and Venezuela, in the AEC is very important because it shows how important the Caribbean is to these three American nations.

"Our connections with the G-3 are not only cultural and historical; they are also based on our joy, problems, virtues, and defects. To know that these needs are not shared solely with the traditional Caribbean countries but also with the G-3 gives us peace of mind and confidence in the future," the foreign minister added.

Robaina pointed out that Cuba does not just believe in free trade. It would like such agreements to always be established, but based on respect for the differences of the participating countries.

"I believe in free trade when it is among all of us, but I also believe in the basic rules whereby the powerful and wealthy countries attempt to trade with countries that are not very powerful or wealthy," he added.

Southern Command Presence in Central America Noted

PA0307183894 Havana Radio Havana Cuba in Spanish 0100 GMT 2 Jul 94

["Our America" commentary read by Manolo Ortega from the "Evening Information Review" newscast]

[Text] The U.S. Southern Command, the undesirable military command from which various intervention and aggression plans have been launched against Latin American and Caribbean countries since 1949, must move from its comfortable seat at the foot of Ancon Hill overlooking Panama City, as stipulated by the Torrijos-Carter Treaties signed in 1977.

Although the move is still five years away, high-ranking officers of the enclave do not want to be taken by surprise. Under the cautious counseling of their Pentagon counterparts, these officers are touring the area to see where they can locate the bases, offices, and other agencies of an obsolete enclave they do not want dissolved because of their prevailing doubts.

It would be a very long, sad story to describe the armed interventions and espionage activities planned at the Southern Command over the past 45 years. Latin American and Caribbean countries and peoples have endured everything from the arrogance of U.S. soldiers to their much hated and armed presence on the region's soil. Puerto Rico and the Dominican Republic are recent examples, but Grenada and the Republic of Panama itself provide the most convincing and vivid evidence of the trauma and unnecessary nature of an invasion by foreign troops.

In addition to being disturbing, the Southern Command's presence in a Central American nation included the possibility that the national territory will be used to establish bases and devise plans of aggression. That is why the project to transfer the U.S. Southern Command headquarters to Honduras must be disturbing for that Central American nation, which until recently served as a gigantic military base for the U.S. Army and Air Force in their interventionist and counterinsurgency plans in the region.

Upon inaugurating a seminar on human rights and the military in Tegucigalpa this Tuesday, Honduran President Carlos Roberto Reina said the United States wanted to move the Southern Command to this country on the basis of the fight against drug trafficking. President Reina said Congress will decide whether the Southern Command will be installed in Honduran territory, adding that the possibility must be analyzed when new military agreements with the United States are discussed.

According to the Honduran president, the United States wants to turn the famous Palmerola Military Base, where approximately 1,200 U.S. soldiers have been permanently stationed, into a subregional center for the struggle against drug trafficking. U.S. Secretary of Defense William Perry recently made that proposition.

It would not be surprising if the U.S. Government and Pentagon, which may be formulating daring plans to keep from losing the Southern Command's strategic location in the region, offered a large sum of money to Honduras to lease Palmerola and other bases, the infrastructures of which have been in place for some years. As the saying goes, necessity knows no law.

As far as drug trafficking goes, it is too old a story to revisit. Everyone knows that for such a godly mission, the United States is capable of establishing a base in the government house of any country.

Commentary Criticizes U.S. Travel Restrictions

FL0507110494 Havana Radio Rebelde Network in Spanish 2300 GMT 1 Jul 94

[Commentary by Fernando Davalos from the "National Radio News"]

[Text] We Cubans do not know the hardships and problems the U.S. citizens who recently visited Cuba have had to face. They have defied their country's laws by coming here. They were threatened and had their passports, as well as books, posters, and gifts they had acquired in Cuba, taken from them. They have been threatened with fines. They have had funds confiscated. The right-wing sectors in Miami stigmatized them by saying that the Cubans here hate the United States. These good people, however, have come to Cuba once again.

The last group left recently. They were greeted with our respect and admiration. They risk so much by coming here. When U.S. citizens visit Cuba, it is more than just a show of solidarity. The visits prove that Cubans here have nothing against the U.S. people. This powerful neighboring country, which is so proud to be the custodian of all freedoms, is apparently suffering from an obsessive persecution mania against those that want to exercise the right to travel.

They are free to conduct any kind of business they like over there—good, bad, dirty, legal, or illegal. They are free to fend for themselves even if the rest go to hell. There are complete guarantees to do whatever anyone wants—sell cars, insurance, drugs, or orphans kidnapped from Central American villages.

Dear God, but what they cannot do is come to Havana. They must defy U.S. law and defy government officials to do this. We ask ourselves: Where are all their freedoms? Is this not truly a U.S. Government blockade imposed on U.S. citizens? There is no better way to respond to this absurd contradiction than with the Cuban phrase: Give me a break! Often, one thing is said while another is done. In the United States, where they are always ready to give us lessons in legalities and respect for the famous personal freedoms, they commit the basic transgression against man's right to be informed, to be informed about Cuba firsthand and in Cuba. Please tell me: Is this not a case of throwing stones while living in a glass house?

Ministry Spokesman: Country To Be Full ACS Member

PA0307170694 Havana Radio Havana Cuba in Spanish 0000 GMT 2 Jul 94

[From the "Evening Information Review" newscast]

[Text] Thursday, Foreign Ministry Spokesman Miguel Alfonso said Cuba will be present as a full member of the Association of Caribbean States [ACS] without limitations, even though the United States may not like it.

Alfonso thus responded to foreign news dispatches that the Washington administration would keep the Virgin Islands and Puerto Rico from participating in the Caribbean group if Cuba is accepted. If that is true, the official noted, it would once again prove Puerto Rico's true legal status. He added that if the United States plans to exert such pressure, the Caribbean leaders will reject it as they rejected Cuban-born U.S. legislators. Miguel Alfonso announced that Cuba will attend the Caribbean Common Market meeting in Barbados from 4 to 7 July as an observer. Vice Foreign Minister Jorge Bolanos will represent Cuba.

Ambassador Discusses Caribbean Integration

PA0307232794 Havana Radio Havana Cuba in Spanish 0100 GMT 2 Jul 94

[Interview with Lazaro Cabezas, concurrent, special, and plenipotentiary ambassador to more than 10 Caribbean countries, by Mario Munoz; date and place not given; from the "Evening Information Review" newscast—recorded]

[Text] [Munoz] Mr. Ambassador, now that the businessmen's meeting [the Caribbean commercial fair] has ended, how important is it for Caribbean integration?

[Cabezas] I believe this is the result of work that has been done for more than three years, and this has been a government policy toward the region since 1990. In 1990, we designed our work strategy toward the Caribbean so as to join the region from the diplomatic, commercial, and economic relations viewpoint, using as a starting point the opportunity that Caricom [Caribbean Common Market] gave us. Caricom invited us to participate in all annual meetings, the opening sessions, and other official functions. It allowed us to develop bilateral ties in Jamaica in 1990, in St. Kitts and Nevis afterward, on two occasions in Trinidad and Tobago afterward, and in the Bahamas during the most recent meeting held last year. Thus, the situation that was created was different from the one during the 1980's regarding relations between Cuba and the Caribbean.

This situation allowed us to establish diplomatic relations with countries such as St. Vincent and the Grenadines. The foreign minister came and established diplomatic relations two years ago. Antigua and Barbuda decided to establish diplomatic relations with Cuba in April, during which we also normalized relations with Grenada, and I received my credentials in that country. In addition, relations with St. Lucia, which were frozen, became normal.

We are also conducting work related to Caricom, which (?led) us to create a (?joint) commission with Caricom and to participate in all matters dealing with the Association of Caribbean States [ACS]. We have established a series of links with businessmen and the like, given we have been developing these ties for 11 years. The first task or the most important task was the first meeting held at the Nacional Hotel last year in April. The group that came was not as large as this one, but this was the start or first phase of their discovering us and our discovering them as countries that have produced products or purchased our products.

I believe this is the result of an effort dating back a long time. You may recall the visit comrade Foreign Minister Roberto Robaina made to most of the Caribbean countries and our commander in chief's latest visit to Barbados on the occasion of the international meeting of the small island countries on the process of development. These activities create realistic possibilities of developing the process of Caribbean integration in the future through the ACS and all kinds of economic ties and strengthening it, as this process is not complete yet.

[Munoz] If integration was achieved in the future, how prepared are the Caribbeans to face the creation of the many existing blocs in the world, blocs which are being created, as is logical?

[Cabezas] I believe one of the reasons Caricom created the West Indies Commission in 1990 to expand it was based on that precise situation; that is, the creation of large blocs with the participation of Japan, Europe, and the United States. Although these Caribbean countries were part of a Caricom organization, they could not face this reality with 5 million residents and the like. That was the prime reason behind them developing the policy of expanding Caricom beginning with the ACS.

A commission came to Cuba, presided over by Sir Shirdath Ramphal, the former chairman of that commission two years ago who visited all the countries, and an agreement was reached. Caricom agreed to create the ACS. The fact this association was created places them and us in a more favorable position—if we succeed in this task—to face those big challenges. If we do not do it today, we will be unable to face the large blocs. When the NAFTA market is created, or, rather, it has already been created, as well as the other free trade organizations and so forth, [words indistinct] the possibility of holding discussions with the major blocs that exist in the world. We have a population of 32 million people, a gross national product of $40 billion, and we import and export. If those countries were really united, they would be a major element, in terms of the Caribbean only. If we now include Mexico, Colombia, Venezuela, and the Central American countries, the ACS will be the third most important group in terms of economy and population. We have to turn this dream into a reality. There are many contradictions and interests dividing us. We must find solutions to those issues that divide us so as to succeed in creating this group. It is not easy and is a difficult and very complex task.

[Munoz] From a strategic viewpoint, what does Cuba represent for the Caribbean countries?

[Cabezas] I have always said—and this is something very personal based on my experience—that Cuba, a part of the Caribbean, because we are Caribbean, a point which we must always remember, and, most of all, an island

country, cannot be alone without the Caribbean, and the Caribbean cannot be alone without Cuba. That means Cuba and the rest of the Caribbean must be part of the same thing. In this respect, Cuba plays a major role in what it represents for the island countries of the Caribbean, owing to its size, population, and potential on the international scene. For that reason, Cuba is necessary for them, and for us the Caribbean islands are necessary for us to be united in a common front.

[Munoz] Is it possible for Cuba to be part of this integration, considering its political and economic system is completely different from the rest of the Caribbean countries?

[Cabezas] I believe life has shown these things are relative and [word indistinct] possible within the process of integration; besides, I believe we are in a better condition than they are to develop this integration due to the factors we have....[pauses] with which you are familiar.

Our market, possibilities, and [words indistinct] without major internal contradictions are conducting a policy of integration that meshes well. We are now seeing that they will have the most difficulties among themselves, not with us but among themselves, to easily achieve economic integration. I cite this example: Caricom has existed for the past 15 or 16 years and is a process by which these countries have been trying to become integrated. Although the members have the same system, there are still.... [pauses] Owing to a series of contradictions that are characteristic of the economy and interests, they have been unable to consolidate this integration.

There is a Caricom organization called OECS, the Organization of Eastern Caribbean States, comprising the small island nations such as St. Vincent and Grenada. This group has organized a topic within Caricom, and they have proposed becoming a single country, with a prime minister and [words indistinct]. That is the big problem; everybody wants to be the prime minister. The problem is nobody wants to cease being prime minister [words indistinct] seven prime ministers would become ministers after [passage indistinct] this is very logical. Yet they have not been able to turn this into a reality. These are the existing contradictions preventing integration. The problem is not our system but, rather, the contradictions existing among themselves or in achieving an effective integration. I believe Cuba is not an obstacle for integration; on the contrary, Cuba favors the integration process.

Castro Speaks at Closing of Family Medicine Conference

FL0107235594 Havana Radio Progreso Network in Spanish 1100 GMT 1 Jul 94

["Fragment" of President Fidel Castro address at the closing of the First National Congress on Family Medicine at the Convention Palace in Havana on 30 June—recorded]

[Text] Even today we continue to build outpatient clinics and houses, the so-called low income houses, although not in the main cities, the capital. We are still trying to resolve the problem, and one day we will undoubtedly be able to continue the program for the construction of family doctor clinics and houses, slowly but surely. We had advanced so much in this program that a contest was held among architects to design not just one model, but 12 models of houses for the family doctor. There were prototypes of the houses in Diez de Octubre Municipality. They were what you might call luxury models concerning the construction of family doctor and nurse houses. We have advanced; it was being accomplished, and we would have continued if the socialist bloc catastrophe had occurred four or five years later—let us say six years later—if it had not occurred when it did, when all of our programs were at their peak. This left us without markets, essential raw materials, fuel, large quantities of food, raw materials to produce food, spare parts, steel, and lumber.

If this had happened a few years later, many of our most promising social and economic programs would have been completed, and we would have completely finished the family doctor program [chuckles] in a few years. Despite the bitterness provoked by the interruption of many things within this program and others, we can say the fact that we have such a movement, with 22,000 family doctors and nurses, is now a source of satisfaction and true pride because it represents a feat accomplished through our efforts and determination. We have 22,000 doctors, and I imagine we also have 22,000 nurses working with those doctors.

I truly believe, without exaggerating, that our people achieved an extraordinary feat by being able to continue developing this program during the most difficult years of the special period. In my opinion, it seems that this program was designed for a special period. What would the condition of our public health and our people's medical care be today without those 22,000 doctors and 22,000 nurses who render their services in this program, not only in towns, but also in factories, schools, and polyclinics despite all the problems we have in the transportation sector as has been stated here; the problems with ambulances and medicine; and all kinds of problems? How could this level of medical care have been maintained without the family doctor and nurse program? There have been many brilliant ideas and solutions to these difficult circumstances, aimed toward improving transportation and the problems with medicines.

The current medicine distribution program was mentioned here because obviously, there was so much speculation over the medicine purchases. This resulted in certain situations, for example, if two... [pauses] any amount of aspirin that arrived would last only a few days because of the excess currency in circulation and the activities of unscrupulous people who bought whatever medicine they could on the open market. There was no way to prevent this—a whole shipload of aspirin would

last only a few days. It was expedient and possible to do this within our system because of the Health Ministry's organization, and family doctors' cooperation.

The idea of using traditional medicine, or herbal medicine as you call it, meaning plants, was also mentioned. We must develop all this, but those 22,000 outpatient facilities have been decisive in endorsing this type of medicine. Today we must resort to all these methods. If we remember our forefathers and the war of independence, if we remember the times of Maximo Gomez, Ignacio Agramonte, Carlos Manuel de Cespedes, Antonio Maceo, we will realize they had absolutely nothing. They cured people—and they had many people to cure—although they did not have the resources, the doctors, and the talents we have today. They solved many health problems with available natural resources. The situation is not exactly like that, but it somehow reminds us of it. We have been compelled to consider all the possibilities. A great effort is truly being exerted, I assure you, in the constant struggle to acquire or manufacture the necessary medicine and to distribute it in a more rational, equitable way.

We are also striving to acquire some of the components that have rendered ambulances inoperable. A comrade outlined the situation he faced. I think it involved batteries and tires. Comrade Teja explained that we would get a number of batteries and tires within three months to repair the ambulances. All of you who work with the rank and file know how difficult these hours, days, months, and years have been for us. You know how difficult the circumstances are. No one knows it better than you because you are there, waging that battle for the people's health, life. We must bear in mind an important thing, a very important thing. I have not seen you lose heart, regardless of the problems. I have been able to observe during the hours I have spent here that morale is high among family doctors and nurses; it is the morale that is required in these times.

I believe it is fair to call this an historic congress given the successes achieved, the experience acquired, and the circumstances and time in which the congress takes place. I am sure these years will be remembered as one of the most glorious pages in the history of Cuban medicine. The fact that we have reduced the child mortality rate to nine... [pauses] to less than 10 [per 1,000 live births] in 1993 is truly a great feat. I thought the goal was impossible, to reduce this figure to less than 10 during one of the hardest years of the special period. I wonder if this would have been possible without the family doctors' work. How could we have maintained the general health indexes, how could this have been possible without the family doctor's work—the doctor and the nurse? But I am not going to constantly repeat this because I will run out of time. How would this have been possible without your work? We can say that no Third World country, or even First World country, can offer what we have in the health care sector during these difficult years.

Officials Report Record-Breaking Oil Production

PA0307184494 Havana Radio Havana Cuba in Spanish 0000 GMT 3 Jul 94

[Report by Armando Santana from the "Evening Information Review" newscast]

[Text] Carlos Triana Forteza, national director of Cuba Petroleum [Cupet], announced in Ciego de Avila that Cuba has set a new oil production record by exceeding the 600,000-ton mark for the semester. Never has such a production level been achieved in one semester. He added that the country's production plan calls for 1.2 million tons of oil this year, a goal that will be achieved thanks to workers at the three Cuban oil extraction fields in Majagua and in the central and eastern part of Ciego de Avila.

Regarding contracts signed with foreign operators for joint ventures, the Cupet national director reported that work is progressing seriously and responsibly, especially with companies from Canada and France. He explained that Cuba holds two types of contracts: one is directed at increasing production levels and the other at searching for new oil sources. The latter includes British, French, Canadian, and Swedish partners. Triana Forteza added that three of the exploration companies have concluded their seismic studies, and two others are in the drilling phase. The work is serious and professional and includes environmental protection measures.

As for repair work at the Nico Lopez Refinery, the official indicated that work is going well and should be completed by 17 July. He highlighted the efforts of the plant's workers, who are working 12-hour shifts, including Saturdays and Sundays.

Ciego de Avila was the setting for events marking national chemical worker's day. The main ceremony took place at the Cupet installations here, where 19 workers were granted the Nico Lopez Award for 20 years of service.

Director Discusses Oil Production

FL0407224894 Havana Radio Rebelde Network in Spanish 2300 GMT 1 Jul 94

[From the "National Radio News"]

[Text] In Ciego de Avila, Director of Cuba Petroleum Carlos Triana Corteza stated that Cuba has established an oil-production record by producing 600,000 tons of petroleum during the first six month of this year. Triana added that Cuba's goal is to produce 1.2 million tons of petroleum for this year, which is now feasible, thanks to the efforts of the workers of the three extracting facilities: the Western, the Central, and Majagua in Ciego de Avila.

Referring to the three contracts signed with foreign cOmpanies as shared investments, Triana stated: Work goes on in a serious, responsible manner, principally with companies from Canada and France. Triana

pointed out that Cuba has two types of contracts: one for increased production and the other with British, French, Canadian, and Swedish participation for future prospecting. Triana stated that three companies concluded their seismic surveys and two are in the drilling phase. Triana added that work is being done in a professional, serious manner, which includes environmental protection.

Triana commented on the repair work underway at the Nico Lopez refinery, which he says is going well and should be concluded by 16 July. Triana praised the workers participating in the repair effort, working 12-hour shifts seven days a week.

Ciego de Avila hosted National Chemical Workers Day, which took place in Cubapetroleo's enterprise in this province. The Nico Lopez Award was granted to 19 workers as homage for over 20 years of service.

Supreme People's Tribunal President on Tax Evasion

PA0307012894 Havana Radio Havana Cuba in Spanish 0100 GMT 2 Jul 94

[Report by Barbara Bethancourt from the "Evening Information Review" newscast]

[Text] New modifications to the penal code will be in effect as of 1 July, established to adjust the legislation of Cuba's new prevailing situation.

In a conversation with Dr. Raul Amaro Salup, president of the Supreme People's Tribunal, he said recent modifications are specifically aimed at certain general regulations included in the code, certain events [words indistinct], and to a new criminal activity that has arisen due to the economic changes taking place in the country. I have for you today the portion of our conversation in which Dr. Amaro Salup refers to the new crime of tax evasion:

[Begin recording] [Amaro] We have had a system of taxes on earnings for some time now, but we did not have measures that would allow us to confront violations of this system. In implementing all these economic changes that are taking place in our country, such as self-employment, we now have new activities that are taking shape, in addition to a tax system that is being created around these activities. It is not as though we did not having anything; it is just that it has now become necessary to anticipate the likelihood of criminal activities in evading fiscal obligations.

[Bethancourt] I would say you have anticipated so much that this is being passed just before the resolution or the tax law is ratified.

[Amaro] Correct. Everyone knows quite well that it is going to come. It is based on an agreement by the National Assembly during its 1 May special session. It is an issue that was also discussed in the workers parliaments. Everyone knows that it is going to come and that it is coming as a whole; in other words, it is coming as the country's general tax law system. We already have the basis. It is not as though we were legislating now in anticipation of what will take place. We are legislating for something that already exists and, to a certain extent, as a precaution for the future.

The Finance Ministry had a very active role in this issue when the State Financial Committee, and later the Finance Ministry, was working on this. They govern the financial system and the tax system; thus they also have a great deal of experience regarding the ways people dodge the country's tax system. Our specialists have worked with financial experts and devised these initial provisions. We believe they are fundamental in ensuring some type of guarantee against fraudulent activities by tax evaders, both for the current taxes and those that may be implemented in the future.

[Betancourt] Does what you have approved differ much from other countries' tax systems, which have been in effect for much longer than Cuba's?

[Amaro] Our country, under the old Social Defense Code, already had several provisions on this issue. We deleted them under the 1979 code. Are we moving back to this type of economic problem? We sought legislation from other countries, as you said, to see how they deal with this matter. In certain countries, very few as a matter of fact, they handle it administratively; others handle it at a criminal level, and I am not talking about Europe alone, as there are certain cases in Latin America. There are several recent examples in which criminal action has been taken against certain cases of tax evasion. This is not new and is not new to Cuban legislation. We are returning to something we had previously abolished before and need again now.

This does not cover all angles, even with what we already have approved here. As the tax system develops in our country and as the economy evolves, we will have to find new measures. We will make these decisions when the time comes, in the best way possible. I dare say that concerning tax evasion, we may implement purely administrative penalties.

[Betancourt] Fines and the like?

[Amaro] Exactly. Purely administrative. We have included fines as well as prison terms.

[Betancourt] You are combining the two in a practical way, administrative and criminal penalties.

[Amaro] Precisely, so there is balance and flexibility in the manner in which we deal with the issue. Not all conducts and not all violators are the same. You need a certain flexibility in the manner in which you handle each case. [end recording]

Commission Determines Cause of Plant Explosion

FL0407231994 Havana Radio Rebelde Network in Spanish 2300 GMT 1 Jul 94

[From the "National Radio News"]

[Text] On 1 July, the official report of the commission investigating the explosion on 28 June in a reactor [reactor] at the resin-producing pilot plant of the corrugated roof tile factory, reads as follows:

Several days after the accident that occurred on 28 June at approximately 1030 hours in one of the reactors in the resin-producing pilot plant of the corrugated roof tile factory, the causes have been established with more certainty. The explosion was accidentally induced by a violent reaction of the hydrochloric acid, one of the raw materials used in the resin-production process, making it impossible to control the chemical once it came in contact with the reactive agent used, (sufridico) alcohol. This caused the rapid production of a great amount of energy. The reactor's explosion did not affect other corrugated roof tile production areas.

TRABAJADORES on Manpower Surpluses, Shortages

FL0407221494 Havana Radio Rebelde Network in Spanish 1155 GMT 4 Jul 94

["Full text" of TRABAJADORES 4 July editorial: "A Labor Paradox: Surplus and Shortage of Workers," read by Roberto Canelas from the "Doing Radio" program]

[Text] The problem of padded payrolls is undoubtedly among the greatest obstacles to the national goal of achieving economic efficiency. As we have said in the past, we cannot even think of an efficient economy without first creating the conditions to support a sustained increase in productivity; and, to do this, it is necessary for each center to have the personnel necessary to meet production goals.

Surplus personnel, wherever they might be, become an active source of business inefficiency because it is a disruptive element that leads to poor workmanship, minimal effort, lack of discipline, increases in general expenses, unbearable rises in salary costs, and demoralization of the workforce. It is therefore rationally impossible to implement incentive mechanisms and methods for workers when a padded payroll conspires against the efficiency parameters that must be met to justify an incentive.

This delicate, complex problem of payroll reorganization and personnel relocation was extensively discussed by workers at the parliaments in the workplace. It was shown that the majority understands it is necessary to adopt measures in this regard for the sake of efficient organization, production, improved productivity, and cost reduction. In many places, where the analyses carried out in the parliaments showed surplus manpower, workers whose jobs may be affected by a reduction were in favor of beginning this process, trusting that the Revolution would find the fairest, most appropriate solutions, which prevent forsaking a single worker and avoid traumatic consequences to thousands of persons' lives. Although there is justifiably much thought about surplus manpower, little thought, however, is given to the fact that there are too many vacant positions, generally key positions, for the efficiency of society, the enterprise, and the economy in general.

There are a great many industries in Cuba with surplus ancillary personnel but a shortage of manpower in the areas of major production. One example is the farm sector, sugarcane related and otherwise, which suffers from an overwhelming shortage of manpower directly involved in production activities, while a few km away, in towns and sugarmills, people loiter in the streets or bump heads in offices and work centers where there are three people to do the work of one.

A territory—a municipality for instance—may include a totally or partially closed factory where personnel collect a salary, while nearby, another factory has the necessary raw materials and production goals, but complains about the lack of manpower. An enterprise may lack the raw materials that another organization in the same sector does not produce because it lacks the technicians the former has in excess. Clerks may abound in a hospital but if it lacks janitors, nurses, technicians, cooks, and other types of personnel, the quality of its service decreases even if it has the best doctors and equipment.

The same thing occurs, for example, in community service centers, telephone offices, and cigar factories. You will observe an excessive number of personnel in the last two activities, as in many other sectors. This makes the training of qualified workers extremely expensive without ultimately filling the necessary vacancies.

These cases, taken strictly from reality, demonstrate that the employment deficit is not as absolute as it might initially appear. In addition to the gradual measures that must be adopted to eliminate padded payrolls, it is necessary to design a specific policy aimed at redistributing and reorganizing manpower within the same sector, filling certain job vacancies—even meeting temporary demands for manpower—with sufficient speed and operational ability.

If the steps aimed at restoring internal financial balance have required careful measures based on lengthy explanations and the people's understanding, the same must be done for the country's labor reorganization, a goal that will obviously not be accomplished overnight because it is directly linked with gradual recovery and in-depth reorganization of the Cuban economic model. This reorganization has a systematic, overall character.

It is clear that coherent reorganization of the labor sector will not be achieved wihout a profound political view of the problem, which excludes partial plans, fruitless

haste, and technocratic, generalized solutions. Neither can it be achieved by ignoring the importance of moral and economic motivations that determine a worker's attitude when faced with the decision of whether to accept or refuse the offer of a job that exists at a given moment.

It may be said that the overall labor reorganization problem, including a final solution to the critical difference between manual workers directly involved in farming tasks and the manpower that lives and works in urban areas, is a problem that demands time and different approaches. This is not feasible in the short term.

The paradox seen in the service or industrial sectors, even in the farming sector, can be seen from a different perspective; there are currently surplus personnel for certain tasks and a shortage of workers for others. In many cases, this is caused by a lack of administrative decision-making in ending the blind acceptance of obsolete plans that may be costly for the enterprise's or the community's economy.

This is a good topic for the assessment assemblies, where people often bring up the incongruity of key positions being vacant while work centers have ancillary personnel who will be declared available sometime in the future.

Haiti

Attack on Boatload of Refugees Reported

FL0107141794 Port-au-Prince Signal FM Radio in French 1030 GMT 1 Jul 94

["Excerpt" of Radio France International (RFI) report read by unidentified RFI announcer—recorded]

[Text] Haitian military police shot at a sailboat full of refugees on the morning of 30 June, provoking a panic which caused about 30 deaths. Thousands of Haitians over the past several days have been trying to leave their country, where the military putschists still refuse to hand power to President Aristide. The UN Security Council has adopted a U.S.-sponsored resolution providing for the deployment of an important UN force as soon as the military leaves power voluntarily and under constraint.

Details on Attack Provided

FL0107164194 Port-au-Prince Radio Metropole in French 1500 GMT 1 Jul 94

[Text] At least 30 Haitian boat people drowned near a village in southwestern Haiti on 29 June when their small boat capsized following warning shots fired by Haitian police. Between 30 and 40 people drowned when the St. Joseph, a small boat—about 20 meters long—carrying nearly 400 refugees, capsized 300 meters from the eastern Les Cayes coast. Eyewitnesses said that the passengers were panic-stricken following warning shots from a motorboat carrying four policemen who wanted to hinder the departure of stowaways. The survivors were rescued by people living in the area. The first burial of victims took place on the spot on 29 June. Attorney Jonassaint's provisional government recently took measures to stop the increasing number of clandestine departures.

Overloaded Boat Sinks Near St Marc

PA0507035194 Paris AFP in Spanish 0259 GMT 5 Jul 94

[Text] Port-au-Prince, 4 Jul (AFP)—Privately-owned, Port-au-Prince stations reported today that a boat overloaded with Haitian refugees sank in the coastal region of Saint Marc (96 km northwest of the capital) some time within in the past 24 hours. Dozens of passengers drowned, the reports added.

According to unconfirmed reports from survivors, dozens of people drowned when the boat sank. The sources stated the police are searching for the survivors to obtain information. Approximately 30 refugees panicked and drowned in the southwestern coastal area last week after police fired shots into the air.

Provisional Regime Supports Sanction-Targeted People

FL0107211494 Port-au-Prince Radio Metropole in French 1045 GMT 1 Jul 94

[Text] Television Nationale carried a press release from the government late last night. The provisional government of Judge Emile Jonassaint said it supports those people targeted by the U.S. measures, especially those targeted by the sanctions and issued publicly [as heard] in Port-au-Prince. The government adds that it will hold the Clinton government responsible for any damages that might accrue to the targeted people. Finally, the government urged all those whose rights have been violated to remain serene.

Government Threatens To Withdraw Airline Licenses

FL0107211594 Port-au-Prince Radio Metropole in French 1045 GMT 1 Jul 94

[Text] On 30 June, provisional President Emile Jonassaint's government threatened to withdraw the operating licenses of foreign airlines that suspend their flights to Port-au-Prince. The National Office for Haitian Civil Aviation wrote to the companies, COPA, ALM, and KLM to ask them to resume their flights to Haiti under penalty of having their operating licenses withdrawn in the country. Regarding Air Canada, a bilateral agreement was signed between Port- au-Prince and Ottawa. AFP officially advised that a letter was addressed to the Haitian Foreign Affairs Ministry seeking a substitution for Air Canada.

The problem for American Airlines is more complicated because the contract between this U.S. company and the Haitian state extends far beyond the framework of a bilateral agreement. Instead, it relates to a political

contract concluded under Jean-Claude Duvalier's presidency which provided for the assistance of American Airlines in the expansion of the Port-au-Prince international airport in exchange for many advantages, according to some Haitian official sources quoted by AFP.

De Facto Government Compares U.S. Policy to Nazis'

PA0207022694 Madrid EFE in Spanish 0048 GMT 2 Jul 94

[Text] Port-au-Prince, 1 Jul (EFE)—The Haitian de facto government has compared U.S. President Bill Clinton's government police against this country to that which "the Nazis gave the Jews" and has charged that the U.S. Government has reduced the number of visas and is beginning to revoke the visas of those who sympathize with the military government.

An Information, Coordination, and Culture Ministry communique released today, Friday, states "the provisional government of the Republic personally holds William Clinton responsible for all the damage and disasters that may occur to these peaceful people."

The de facto government's reaction comes nine days after the U.S. Government published a list of 250 Haitians whose requests for visas were suspended or revoked, possibly for supporting the Haitian military.

Government Indignant About U.S. Coast Guard

PA0507035994 Paris AFP in Spanish 0313 GMT 5 Jul 94

[Text] Port-au-Prince, 4 Jul (AFP)—This Monday, the government of acting President Emile Jonaissant (not recognized internationally) expressed its "deepest indignation" over the procedures of the U.S. Coast Guard vessels off the coast of Haiti.

According to the government communique, such vessels "violate Haitian territorial waters, seize fishing boats, kidnap small fishermen, and present them later before reporters as clandestine travelers." Such actions are aimed at "deceiving international opinion and bolstering U.S. propaganda in search of a pretext for intervention in Haiti," the text stated.

The Port-au-Prince communique denounced "the disinformation and agitators of all nationalities who encourage and finance those risky adventures on the high seas."

The poverty intensified by the international embargo, the approval of more requests for asylum, the presence of U.S. warships, and the policy of repression have considerably increased the amount of boats that take to the sea.

International Moves Criticized as 'Irrational'

FL0107164894 Port-au-Prince Radio Metropole in French 1045 GMT 1 Jul 94

[Text] The Mobilization for National Development, MDN, finds international measures against Haiti to be irrational. The irrational measures of total embargo, naval blockade, and plans for U.S. intervention suggest that the international community is not progressing in finding a solution to the Haitian crisis. The MDN also accused the big powers of playing the destructive card instead of supporting those promoting Haitian democracy, expressing concern over the balance of power, and remaining open to modernization.

LHA Urges Haitians 'To Resist Armed Aggression'

FL0107220694 Port-au-Prince Signal FM Radio in French 1030 GMT 1 Jul 94

[Text] The Haitian-American League [LHA] calls on the general public to prepare to oppose, with fierce and determined resistance, any armed aggression from any foreign power no matter what pretext or cover [words indistinct]. The league takes this opportunity to publicly thank Monsignor Guy Poulard for his morally comforting action when he spoke up to denounce the abuses against this country and its sovereignty, and the violation of its air and sea space by armed ships and helicopters that have sunken Haitian boats in territorial waters under orders of the immoral leaders of a continental power in our hemisphere.

On behalf of the nation, we also thank the bishop of Higuey in the sister Dominican Republic and the Latin American and Caribbean Episcopal Conference presidents who demand the lifting of the embargo, for their tremendous humanitarian action on behalf of this population, which is the victim of the economic aggression of the international community.

The league again condemns the blatant violations of the human rights of Haitians by the U.S. Government and its international accomplices, especially regarding food, health, and freedom of movement, and it exhorts the Haitian people to unite around its national two-colored flag for the effective defense of its sovereignty and the integrity of its territory. This press release is signed by Jean-Raphael, secretary general of the LHA.

Jamaica

U.S. Coast Guard Cited on Refugee Figures

FL0107200794 Kingston RJR Network in English 1700 GMT 1 Jul 94

[Text] A total of 40 Haitians drowned today after Haitian military police fired warning shots at a sailboat packed with refugees heading for the United States. U.S. Coast Guard officials say they picked up 5,000 refugees in the past week. A total of 1,000 were intercepted

yesterday. Haitians are risking their lives in [words indistinct] new hope in an effort to flee the country, from the sorrow and suffering.

Foreign Minister on Haitian Refugees Processing

FL0107161294 Kingston RJR Network in English 1200 GMT 1 Jul 94

[Telephone interview with Foreign Minister Sir Dr. Paul Robertson by unidentified announcer—live]

[Text] [Announcer] There are some Jamaicans who have fears that there will be an influx of Haitians arriving here. (?These people) want the problem solved. Do you [words indistinct]?

[Robertson] (?I see the) concern. Let me review what the JLP [Jamaica Labor Party] is saying. First: Once again, they are refusing to accept that anybody else in the region has any responsibility. It's not just an American problem. They are our country, right here in our region. So, we have a responsibility under the UN 1961 Convention and the 1967 protocol to help those people. We just can't pass it off on [words indistinct] and, therefore, it should be in international waters to allow them to appeal. All of that is fine; we are not quarreling with that; they can go ahead and do that. But we have to know what we can do to help.

Now, in regard to the possible influx: [Words indistinct] will find it's the Caribbean Sea, yes. So, whatever happens, there is a possibility of Haitians coming here. And I would like all Jamaicans to remember that they have been coming for some time. Right now we have a [words indistinct] Montpelier camp. But, quite frankly, we expect to get some more, but we do not expect to have any influx. Six people opted to stay in Jamaican jurisdiction in the process, also a grouping of some 50, and maybe a few more will come upon our shores, in which case we have to, as a sovereign nation that subscribes to certain things, process them in the normal fashion. And we are readying the Montpelier camp for any such processing.

JLP: U.S.-Haitian Arrangement Should Be Reconsidered

FL0107140594 Kingston RJR Network in English 1200 GMT 1 Jul 94

[Text] The Jamaica Labor Party [JLP] says U.S. President Bill Clinton's decision to make use of Guantanamo Bay, Cuba, for processing Haitians has vindicated the Party's stand that processing should be done within the immediate jurisdiction of the United States and not Jamaica. The JLP wants the government to reconsider its arrangement to process Haitians fleeing their country in Jamaican waters.

The Party maintains that the processing of Haitians seeking refugee status in the United States should have been done in international waters, outside of Jamaica's three-mile limit. It says this has not made it possible for any of the Haitians refused refugee status to appeal the decision in a U.S. court. The JLP says [words indistinct] the government is contributing to a process of denying fleeing Haitians the right to appeal. More than 100 Haitians have been granted asylum in the United States after being processed on board the U.S. vessel, the Comfort. Over 900 Haitians are now on the vessel, and those refused refugee status are returned to Haiti.

Temporary U.S. Refugee Status Sought

FL0107200294 Kingston RJR Network in English 1700 GMT 1 Jul 94

[Text] The Jamaica Labor Party [JLP] foreign affairs spokesman, (Christian Whincare), reiterated his call for the United States to grant temporary refugee status to Haitians picked up at sea instead of returning them (?under guard) to Haiti, during an interview with RJR news this morning. Dr. (Whincare) was responding to a statement made by Foreign Affairs Minister Dr. Paul Robertson:

[Begin (Whincare) recording] I heard that Mr. Robertson (?confirmed) that the JLP position is correct in that processing just outside of Jamaica's three-mile limit would have made possible for any [words indistinct] of the Haitians who are refused refugee status to appeal in a U.S. court. But he is wrong to believe that we are opposed toward (?processing) Haitians. We are not. But we find it impossible for anyone at this stage to determine whether a refugee is economic or political because the situation in Haiti now has brought the two things together. Now, with regard to Haitians coming to Jamaica for asylum, first of all, let me commend those Jamaicans who helped the 23 Haitians who landed on our north coast yesterday. We believe that the decision as to whether we should expand the asylum and the numbers (?receiving) asylum in Jamaica is a matter for Parliament and that the government should bring the matter to Parliament and let the people decide through Parliament. In the meantime, may I take this opportunity as (?again appealing) to the United States to consider giving the majority of those who have fled temporary refugee status until democracy is restored in Haiti. The people deserve (?and need assistance). [end recording]

U.S. Justice Spokesman's Responds

FL0107220594 Kingston RJR Network in English 1700 GMT 1 Jul 94

[Text] The U.S. Justice Department spokesman in Jamaica, Don Connelly, has reacted to a call from opposition spokesman, Chester Reynolds, that the U.S. should grant temporary refugee status to Haitians (?or those boat people) picked up at sea instead of repatriating a number of them. In an interview with RJR news this morning, (?the spokesman) said the way the U.S. is dealing with the situation at present has the backing of international law:

[Begin Connelly recording] As you well know, the United States has a long history of generous legal immigration. We wish to see public support for legal immigration but in order to do so we must demonstrate that we have control over our borders. Our experience has shown that, with the Haitians so [word indistinct], that most are not entitled to legal immigration to the United States nor do they qualify for refugee status. With the refugee status, a refugee is defined as a person outside his or her country of origin who is unable or unwilling to return due to persecution or a well-founded fear of persecution on (?the count) of race, religion, nationality membership [words indistinct] political opinion. As you've seen in the last couple weeks regarding the people who have been interviewed on the Comfort, the number is about 30 percent of those who actually fall within this category of refugee. By and large, the overwhelming majority of the Haitians [words indistinct] who are leaving Haiti do not qualify as refugees. (?This means that usually) Haitians with these claims of refugee status should apply first at our three processing centers in Haiti. In this way, they will avoid the risk of leaving Haiti [words indistinct]. [end recording]

U.S. Tourist Shot to Death 3 Jul

FL0407130894 Kingston RJR Network in English 1200 GMT 4 Jul 94

[Text] Another American tourist has been shot in Runaway Bay, St. Ann, within a month and this is according to the police information center and who also died in hospital. [sentence as heard] Jemoy Vinegar, 18, a student of New York, in the United States, who was visiting relatives in Runaway Bay, St. Ann, was shot to death yesterday. The [words indistinct] of cash and jewelry. During a fight with the criminals, Vinegar was shot in the abdomen.

EZLN Willing To Explore Peaceful Transition

PA0307002594 Paris AFP in Spanish 2158 GMT 2 Jul 94

[Text] Tuxtla, Mexico, 2 Jul (AFP)—This Saturday, the Zapatist guerrillas expressed their willingness to explore a peaceful democratic transition, but they warned of another war in Mexico if changes do not take place.

In a communique sent to the Chiapas State People's Assembly, which was opened today in Tuxtla, rebel Subcommander Marcos said "if war resumes, it will not be in this part of the country (the mountains of Chiapas State) only." He said the Zapatist National Liberation Army (EZLN), which took to arms this past January and is observing a truce, believes "trying another option other than war is worthwhile, and that is why we are making way for those who are searching for the path to democracy without violence."

He also said the state assembly, which civilian and political organizations have summoned, is of national importance in the search for "free and democratic foundations above which it will be possible to build peace in southeastern Mexico."

This could set an example for other groups interested in participating in the National Democratic Convention (CND), which the EZLN summoned this past 11 June after breaking off the peace talks with the government.

The call to the CND, Marcos explained, was established "after refusing the proposals of bribery and blackmail through which the government intended to wear out the Zapatistas."

On top of this, he stipulated the EZLN understands "justice will be possible only in a free and democratic country," an objective that will be achieved only "over the corpse of the government's party," the Institutional Revolutionary Party (PRI).

The guerrillas acknowledged the transition to democracy, justice, and liberty "cannot originate from their struggle only," and that is why they are willing "to try a nonviolent alternative in order to raise the national banner without any dishonor and with dignity."

Marcos said with the conclusion of the Chiapas Assembly, scheduled to close on 3 July, civilian society is opening the door to "nonviolent democratic change." He warned, however, the EZLN is still Indian but not only Chiapan, because others "have decided to march under the Zapatist banner and walk the painful path of war if democratic change is not possible through electoral means."

The subcommander described the government as a "usurper" and said a National Democratic Convention is necessary to lead to a government of transition to a new Constitution.

With respect to the convention, the EZLN leader excluded the PRI and its presidential candidate, Ernesto Zedillo, "who represents a guarantee there will be no democracy or peace for all Mexicans." He also ruled out the presence of those who only advocate an armed struggle, those who oppose the electoral process and are against change and do not believe in the need for a transition government or a new Constitution. Marcos said the CND is not the EZLN's civilian arm and that a date or place for the convention has not yet been established.

The Chiapas State People's Assembly began discussing the possibility of establishing a government of transition in Chiapas, a new government, and allowing the people's participation in the political process.

New Peace Commissioner Begins Work in Chiapas

PA0307212294 Mexico City XEW Television Network in Spanish 0430 GMT 2 Jul 94

[From the "24 Hours" newscast]

[Text] The new Chiapas peace and reconciliation commissioner has begun his work in San Cristobal de las Casas. Six months following the beginning of the armed conflict, Jorge Madrazo Cuellar, the new Chiapas peace and reconciliation commissioner, has made his first statements in San Cristobal de las Casas.

Madrazo said during a news conference he took steps in his first day as Chiapas peace commissioner with San Cristobal Bishop Samuel Ruiz Garcia's collaborators to resume talks with the armed group:

[Begin Madrazo recording] I have given Bishop Ruiz' collaborators a letter addressed to the EZLN [Zapatist National Liberation Army] General Command inviting them to jointly explore the methods and terms in which the peace process can be resumed, and I officially introduced myself to them. [end recording]

Madrazo said no terms have been established for the achievement of peace in Chiapas, and he added he will do what it takes to pacify this state as soon as possible. Madrazo said he has never been a member of any political party nor connected to any party activities.

The new peace commissioner previously met in Tuxtla Gutierrez with Chiapas Governor Javier Lopez Moreno and Miguel Angel Godinez, chief of the 31st Military Zone.

Executive Branch Proposes Reforms to Military Code

PA0507020594 Mexico City NOTIMEX in Spanish 0346 GMT 30 Jun 94

[Text] Mexico City, 29 Jun (NOTIMEX)—Official sources have reported the Mexican executive branch sent to the Chamber of Deputies today a proposal on reforms to the Military Code of Justice in order to make it conform to recent constitutional changes in the penal area.

According to the draft reform, the presidential initiative proposes modifications to "update the code to adjust its provisions to the recent reforms of penal regulations established in the Constitution."

The reform seems to refine the regulations granting legal protection to defendants under military jurisdiction so that they will know the rights the Constitution grants them during the investigative period. The rights include not being forced to make a statement, adequate defense, having the defense accompany one throughout the process, the provision of and receiving of all requested evidence, and the right to be released on bail.

The proposal lists the serious crimes that limit the granting of release on bail, establishes the legal framework for the actions of the Judge Advocate's Office in penal processes under military jurisdiction, and defines the time limits for each procedural phase.

The proposed reform also has the objective of updating provisions on how to establish possible responsibility and the verification of penal facts as well as strengthening the regulations for the body of defenders assigned to the military courts.

The Mexican Presidency also presented an initiative to reform the Law for the Development and Protection of Industrial Property to grant greater protection to the rights in this field. The proposed modifications authorize agencies in charge of industrial property to act as administrative authorities and make the country's laws conform to the international treaties Mexico has signed in this area.

The documents seek to protect trademarks from illegal use or unfair competition, actions punishable with the removal from circulation of the merchandise involved and the confiscation of the means used to manufacture and sell. The document also proposes greater opportunities to register patents in technological fields.

PRI's Zedillo Outlines Foreign Policy Plan

PA0107193094 Mexico City LA JORNADA (PERFIL Supplement) in Spanish 27 Jun 94 pp I-IV

[Speech by Ernesto Zedillo, PRI candidate for president, at the Foreign Policy Forum held at the Siqueiros Cultural Center in Mexico City on 27 June]

[Text] Distinguished members of the National Executive Committee of our Institutional Revolutionary Party [PRI], ladies, and gentlemen:

I thank you, fellow PRI members, former foreign secretaries, academy and diplomatic corps members, business community, and news media for attending this meeting. I am particularly grateful to members of the honorable diplomatic corps and the representatives of international organizations stationed in Mexico for kindly answering this invitation.

I am profoundly proud to be the candidate of a party which, since its founding, has actively participated in shaping our foreign policy. In its first Declaration of Principles in 1929, our party proclaimed the preservation of national sovereignty as the nation's loftiest and most unalterable value. In fact, the PRI is the only party that maintains an intense and permanent program of reflection and exchange with the community of scholars and experts on international affairs and Mexico's foreign policy.

In this respect, the proposal I am submitting to you and the people is the result of careful work nourished by the knowledge, advice, and experience of the community of Mexican foreign experts. My deepest thanks to all of them.

Mexico is a pacifist nation because of our history, commitment, and unchangeable principle. Since the struggle for our independence and throughout the construction of a free and sovereign country with republican laws and institutions, Mexico has never tried to establish its strength through aggression, but rather always through full respect for the law, among men as well as among nations. Juarez, like Morelos earlier, and Carranza later, postulated and firmly defended national sovereignty and the integrity of our territory.

Given our history and our purest conviction, we Mexicans have forged as unalterable principles of foreign policy people's self-determination, nonintervention, the peaceful solution of controversies, prohibition of the threat or the use of force, legal equality of the states, international cooperation for development, and the struggle for peace and international security.

Oriented by those principles and with farsighted leadership, President Carlos Salinas de Gortari has successfully fulfilled the goals of preserving and strengthening our sovereignty, defending and projecting our national interests, and contributing to the political, economic, and social development of the nation.

In the current world, new and old challenges converge. Old problems that had been left behind under the East-West rivalry resurge with force. Simultaneously, new questions and phenomena arise in the relations among states.

Five years after the fall of the Berlin Wall, the world continues searching for a new international order. Every nation's foreign ministry strives to give coherence and new meaning to their foreign policies. The world scenario each day becomes more complex and unpredictable. That complexity is expressed eloquently in the over 150 subjects that comprise the UN General Assembly's agenda.

The end of bipolarity brought the world a renewed, albeit, fleeting optimism. There were good reasons for this. The successful conclusion of negotiations between old rivals and the signing of several accords brought an

end to an era of uncertainty, dissipating after half a century the latent threat of nuclear war.

The younger generations grew up in this atmosphere of terror and because of this we can appreciate the meaning of the recent peace advances. It would be foolish to so quickly forget those long decades based on the balance of terror, mutually assured destruction, and the struggle for ideological, strategic, and military hegemony. It would be equally irresponsible that our generation wasted the opportunity to build a world dedicated to development, well-being, fairness, and justice.

The task is not a simple one. Our generation must overcome innumerable failings. Even in this era of globalization, there are stubborn minds that insist on the belief that the successes or benefits received by a state depend on the weaknesses and failures of other states. Our generation must dispel the fatalist theory that the world is condemned to a great clash among civilizations.

Exclusionist nationalism, xenophobia, the trend toward massive immigration, genocidal attempts at "ethnic cleansing," and the serious economic disparities that exist between peoples should not be the signs of the future. These phenomena constitute the burdensome heritage of a past that put off the human race's legitimate hopes for peace and progress. The time has come to acknowledge that worldwide security and prosperity are indivisible.

The end-of-century world is engaged in a debate over contradictory trends. Globalization and large-scale integration processes are coexisting with the disappearance of certain states, separatist movements and open rivalries between religions and ethnic groups. Still, there are trends that reject the value of other cultures, violate democratic life, foster intolerance, obstruct free exchange, and affect the capability of states to cooperate with each other.

Globalization has made our planet increasingly smaller. The improved distribution of resources, the international distribution of work, the elimination of trade barriers, investments, and the ability to take advantage of enormous economies of scale create broader and clearer opportunities, reduce economic uncertainty, and favor the coordination of policies among countries. We must encourage those processes because they increase the likelihood of employment and they raise levels of well-being.

Globalization also constitutes a huge challenge because it intensifies competition for markets and resources and it extends to the entire world the political, economic, and official effects of problems which, until now, were local or regional.

The past century has left us serious distorsions. Perhaps the most harmful of these are the profound differences in the levels of world development. The seven most powerful economies of the world collect two-thirds of the world's wealth, while three-fourths of humanity, almost 4 billion people, receive only the remaining third.

Within this trend lies the dangerous prospect of worldwide instability. It will be increasingly difficult and costly for wealthy nations to exist as islands in a sea of poverty. The extremes of wealth and poverty have the potential to replace the ancient East-West rivalries as basic sources of tension in international relations.

We arrived at globalization through the integration of economic systems and the specialization of productive processes. We witnessed the internationalization of finances through the increasing flow of resources from nation to nation, region to region, and sector to sector. Investments, credit systems and the activities of financial mediators are perceived throughout the world today as a whole. Within this global village, nations must establish their singularity, distinguish themselves in the markets, in culture, and in the effective projection of their interests.

These tendencies nourish a ruinous germ of world instability. Every day it will be more difficult and costly for the rich nations to exist as islands in a sea of poverty. The wealth-poverty poles have the potential to serve as a substitute for the former East-West axis as a source of tension.

Globalization is attained through the integration of economic systems and the promotion of specialization in the productive process. We are witnessing the internationalization of finances with a growing flux of resources from nation to nation, region to region, and sector to sector. Investors, credit systems, and financial intermediaries today see the world as a whole. Within this global framework, nations must be unique, their markets and cultures unmatched, and they must effectively project their interests.

We are also witnessing the globalization of political events. The world panorama is undergoing important changes: the end of apartheid in South Africa, peace negotiations in the Middle East, the irreversible march of democracy in Latin America, and the creation of the European Union [EU].

Globalization is sustained by technological advances in communication, information, and transportation. Globalization has also brought to the fore the impact that afflictions such as poverty, overpopulation, migration, disease, environmental decline, and the violation of man's basic rights have on the world. Right now there are conflicts in more than 60 countries, and many of them have led to civil wars. The most obvious examples are in Rwanda and Bosnia, countries which appear to be immersed in a terrible inertia that is leading them to fragmentation.

Both tendencies, globalization and fragmentation, constitute a challenge to the sovereignty of the states. The old alignment based on ideologies has ended, and now the states are individually trying to strengthen their

international positions. Current alliances are based on common claims of national interest. A new, historic phase has emerged. We caution that a new world order has not yet been created, but the rules of the international game have changed substantially. Modern states face the challenge of adapting to and correctly interpreting the new situation.

Immersed in this setting, we Mexicans ratify our commitment to national sovereignty, its permanence and its defense, and to a nationalism sustained by a worthy self-concept and by our respect for the cultural, ethnic, and ideological wealth of other nations.

Mexico's Foreign Policy: Postulates and Objectives

The next Mexican Government will inherit the valuable legacy of an honorable and righteous diplomacy. That is why we must assume the commitment of consolidating our position in the world, of firmly facing all international challenges, and, above all, of taking advantage of the opportunities that the foreign context offers to improve the well-being of Mexicans.

Because it is a constitutional mandate and because of my republican convictions, the foreign policy of the government I plan to head will steadfastly respect principles which are the product of our historical experience and of our geopolitical reality. History's lessons have shaped our national character. Our foreign policy is a working, living expression of our complex and difficult past. It has been enriched by Mexicans who are committed to humanism and peace; Mexicans such as Matias Romero, Genaro Estrada, Isidro Fabela, and Alfonso Garcia Robles, among many others.

Our principles must always guide us in defending our national interests. Principles are our guidelines; our interests motivate us to carry out the work that our society demands.

That is why today I present ten points that will serve as guidelines for the foreign policy to which I am committed as candidate of the PRI.

First: Strengthening Sovereignty

My government's top priority will be to strengthen and fully exercise national sovereignty. We understand sovereignty as the exclusive right of Mexicans to make their own decisions and to plan and work on our future in a free, independent manner. Mexico is a multicultural, multiracial country with a fundamental cohesion of values, ideas, and symbols that unite and characterize us.

The Mexican nation is its people and its territory; it is a space and shared memories. It is also the awareness of that space and that memory, as well as the willingness to protect and strengthen them to confront other ways of life and other perceptions of the world. If sovereignty resides in the people, the willingness to preserve it is expressed in the defense of its institutions and the social and political organization that nourishes our national identity. The values of our sovereignty are freedom, independence, democracy, and justice. The efforts of all Mexicans converge in defending those values for our nation. They are the central values of our unity.

Having sovereignty as our fundamental postulate, its defense and advancement will guide all our actions in the foreign policy we intend to implement. Mexicans are unified in their vigorous support of sovereignty.

Our consensus on democracy, freedom, and the validity of national rights and identity is the country's driving force in its relations with the world. Based on those principles, Mexico will participate more dynamically in the changes the world is experiencing. Mexicans do not confuse sovereignty with isolation.

Confronted with the emergence of new forms of intolerance, fundamentalist trends, and exclusive nationalism, Mexican nationalism will continue to be distinguished by its respect for pluralism. We will assert the identity of our people without denying the identity of others. In the diversity of cultures and national identities, we recognize universal vitality and riches. Mexicans respect the right of others to be different and demand that same right for our people.

We will strengthen Mexico's sovereignty by furthering our national interests. We will strengthen sovereignty by increasing diversification of our international relations and by participating more actively in the changes occurring in multilateral organizations in order to include the issues that are of primary interest to Mexico.

We will strengthen sovereignty by projecting our great culture as a means of gaining a better understanding among the nations with which we maintain very close relations. We will strengthen sovereignty by promoting economic stability and the ability to grow to generate more jobs and more prosperity.

Second: Promoting National Interests To Improve Mexicans' Welfare

Our foreign policy must encourage the improvement of Mexicans' standard of living. In the domestic arena, I propose to reactivate the economy, combat poverty, promote quality education, reform the justice system, and continue to improve our democracy. The affinity between internal and external sectors will result in greater strength for the nation. Our foreign policy must be a corollary of a pluralistic, participative, and decisive domestic policy.

In its relations with the world, Mexico must make better use of the opportunities it is afforded internationally. We will restore cooperation without conditions and will promote our national interests. We will give a new impetus to investments and to productive labor, always attempting to obtain fair treatment in the commercial and financial sectors.

We have been able to enter the main international currents of free trade and cooperation. The challenge now is to

consolidate our economic achievements and translate them into improving the welfare of Mexican families. My commitment is to ensure that our economic participation in the world will be fairer and more productive and that it will be an effective motor for the social development of our country. Free trade will show its full benefits with jobs and better income for Mexicans.

We will place special emphasis on the legitimate defense of the country's producers and exporters. I promise to use all resources and forums available through international law, as well as the agreements we have signed with other countries, to obtain fair, reciprocal, and favorable treatment for our national production, both on the domestic and foreign markets.

We will work so Mexico can implement is development program in a peaceful, secure environment, using diplomacy to face the challenges posed in the international arena.

Third: Relations with the United States and Canada

Relations between Mexico and the United States are a priority for both countries, not only because of the geographic circumstances that unite us but also because of the strong contacts and exchanges that have developed between both societies and governments. It is a tie that is so complex and so intense that it is almost inevitable that problems arise. Fortunately for both countries, however, we have reached an outstanding level of maturity in the way we relate to each other.

We must continue to promote the furtherance of clear rules and the update of norms in our bilateral relations. We will do so with a positive attitude that takes advantage of the benefits of our proximity. We will set out in this endeavor with the conviction that we will defend our national sovereignty in a firm and decided manner.

In terms of the numerous types of relations between Mexico and the United States, I aim to continue to negotiate on specific issues. Our reciprocal intention must continue to be that of finding solutions to our differences on each individual issue, without negatively affecting our overall bilateral relations.

The negotiations for the Free Trade Agreement and the revision of the Extradition Treaty are clear examples of the need to settle differences from our points of view. These experiences have increased the channels of understanding for the future of our bilateral relations and they will contribute to the many forums that add to the smooth communications between the two countries.

For a long time, we at the PRI have sought to intensify our ties with the Mexican community residing in the United States. The millions of Mexicans who live in the United States have a genuine desire to maintain ties with their fatherland, their identity, and their roots. Today I reiterate my admiration of those communities for maintaining their sense of national pride intact and for the important contribution they are making in their country of residence. We will work decidedly to strengthen ties with our compatriots living outside of the national territory. The scope of action is very broad.

The development of education has enormous importance for both our country and the Mexican communities in the United States. As secretary of education, the enhancement of ties with that community represented a very valuable experience. The possibilities of cooperation and mutual assistance are enormous and are just beginning to be explored. We will increase the exchange of teachers and researchers. We will establish permanent plans that will permit Mexican and Mexican-American leaders to nourish the pride of their communities with our common origin, spreading our culture intensely.

Most Mexican and Latin businessmen in the United States have small and medium-sized businesses. They represent an enormous cooperation potential between both business communities.

We will strengthen every project that deepens the relationship between Mexico and the United States and their states and municipalities of origin. This relationship is deep and familiar, and it must become a source of development for our communities.

Our compatriots in the United States must know that upon returning to Mexico, they will be received with affection, cordiality, and respect. In order to facilitate visits by Mexicans residing in the United States to our country, I pledge to promote such programs as the "Fellow Countryman" Program.

The migratory phenomenon is a shared problem. Unilateral measures are not only inappropriate but they are also counterproductive. In recent months, a certain atmosphere of hostility toward our compatriots in various states of the American Union have intensified. Racism has been disguised as economic rationality, and it adversely affects the well-being of our fellow citizens. This xenophobic attitude calls for our strong repudiation, as well as our solidarity with the Mexican community residing in the United States. Our priority will be to safeguard the rights of the Mexican community in the United States as workers and human beings. Diplomatic and consular efforts will be focused mainly on this issue.

The recent agreement between Mexico and the United States to conduct a binational study on the issue of migration will enable the establishment of a common base to deal with this phenomenon. This study may become an unprecedented advancement in the bilateral relationship.

One of the areas that inherently requires bilateral participation is that of border relations. The continuous flow of people and goods that makes the border between Mexico and the United States the most dynamic in the world demands permanent communication, as well as efficient and transparent joint action between the two governments. This is paramount for the wellbeing of residents on both sides of the border.

It is vital that we work in a coordinated fashion with the United States on the issue of capital investments and environmental protection in border areas. The recent creation of the North American Development Bank should encourage a major regional cooperation effort in this area, and it constitutes one of the most important noncommercial dividends of NAFTA.

To ensure efficient border cooperation between Mexico and the United States, we are taking advantage of renewed federalism to encourage greater participation from the Mexican municipal and state governments in designing and applying more effective cooperation mechanisms. This does not mean, however, that we are reducing the Central Government's capacity to establish, organize, and supervise general political policies.

A top priority in the diversification of Mexico's foreign relations shall be our ties with Canada. In the area of political cooperation, Canada provides us with a strategic ally in presenting common positions in different global and regional forums. The Canadian market is fertile ground for Mexican products and exports. It is one of the most attractive markets in the world that offers us a great relative advantage based on the free trade agreement. Nevertheless, while investments in Mexico are growing, they continue to be limited. We will invite Mexican businessmen to explore the possibility of coinvesting in Canada with projects that will allow the nation to diversify the origin of foreign investment.

There is a genuine desire to cooperate in our efforts to resolve the two nations' common problems. We should take advantage of the new impulse given to trade to further the cooperation in the fields of technology, education, agriculture, forestry, industry, tourism, and culture.

NAFTA was a turning point in Mexico's relations with its northern neighbors. NAFTA is nonexclusive. Mexico will support the broadening of the trade agreement to include other Latin American nations and, in this way, achieve our goal of creating a continental free trade zone.

Fourth: Political Consensus and Trade Integration With Latin America

I propose that Mexican policy toward Latin America and the Caribbean be founded on two basic goals: to strengthen mechanisms of political consultation and consensus to guarantee the conservation of peace and to promote development and to contribute to the creation of a hemispheric free trade zone.

We are Latin Americans by nature, affinity, history, and culture. In light of this, we should forge alliances and define our actions in the world. The consolidation of democracy in the region allows more fluid political communication and a broader cooperation. The restructuring and economic opening that our economies have experienced offer unprecedented possibilities for integration. We will use Mexico's summoning capacity to join efforts in support of the causes of development and wellbeing.

We have valuable tools to achieve this. Mexico actively participates in the Rio Group to broaden and systematize political understanding, agree on common positions in multilateral forums, foster solutions to regional problems and conflicts, and explore new fields of cooperation.

The recent signing of economic agreements with Chile and Costa Rica, individually, as well as with Colombia and Venezuela within the framework of the Group of Three [G-3], strengthens Mexico's trade, friendship, and cooperation with Latin America. Now, we should broaden and consolidate economic integration with the Central American and Caribbean region.

The Ibero-American Summit has become a wonderful forum for nations that share a common heritage and can help us increase contacts with other cultures and groups of nations. We will reaffirm its political and diplomatic place in the world so that the voice and interests of Ibero-America are duly taken into account in the construction of a new world order.

For Mexico it is crucial that stability, peace, and cooperation prevail in Central America. That is why we are interested in seeing growth and prosperity in the area and that dialogue and negotiation be used when disputes and differences arise.

Our friendly, cooperative relationship with our southern neighbors deserves permanent attention. We will strengthen political, economic, and cultural ties with Guatemala to jointly address the issues that bring us together. I pledge to continue cooperating in the repatriation of Guatemalan refugees in Mexico.

In reference to Central American immigration over our southern border, we shall encourage the search for bilateral and regional solutions. We shall not permit the violation of migratory laws, but human rights will be scrupulously respected when applying them.

Our cooperation with Belize will be founded in the shared interest of fully fostering border development. We shall continue encouraging broad cooperation on the bases of respect and attention to common problems. With both Guatemala and Belize, we will maintain a constructive, friendly position to solve problems that are inherent to neighbors, fully respecting sovereignty and self- determination.

The Caribbean area, our "third border," requires prompt attention. Mexico will uphold its policy of permanent defense of the principles of nonintervention and a people's right to self-determination. We will encourage respect for sovereignty, political system plurality, and the integration of area countries.

Caribbean relations offer yet to be explored opportunities of great interest to Mexico. I propose that the

Mexican Commission for Cooperation With Central America be broadened to include the Caribbean with integration schemes that make free trade a reality at the continental level.

It is encouraging that Mexico's initiative to form the Caribbean States Association [AEC] has been successfully implemented. We pledge to work actively in favor of this organization's goals, which are the cooperation and development that link all area countries.

We cannot overlook the persistence of the economic blockade of Cuba, a country beloved by Mexicans and which we hope fully rejoins the hemispheric community. We will maintain fluid relations with Cuba within a framework of respect and cooperation and with our diplomacy's traditional intention of encouraging communication and understanding among all area countries.

Fifth: Diversification of International Relations

Mexico's privileged geopolitical position allows it to take advantage of the globalization opportunities offered through a policy of diversifying our relations.

Mexico's strategic interest demands that we strengthen our links with all regions of the planet. The interdependent nature of our contemporary world demands that the relations of a nation of firm international presence not be concentrated in a single area. The diversification I propose has two aspects: one political and the other economic.

In the coming years, Mexico will fully comply with its responsibility as a player in the process of world change. We will foster political and diplomatic initiatives that encourage dialogue and prompt agreements that work toward solving the international problems that interest us most. Diversification is closely linked to the promotion of a new development agenda.

In its economic aspect, diversification is intended to help increase exports of Mexican products, to open new markets, and to facilitate greater integration into the current of financial resources. It will also help attract capital, modernize the production plant, and aid in the transfer of technology, always fully respecting the environment.

Diversification is everyone's task. I fully trust the vision and capacity of Mexican production sectors to take advantage of the extraordinary opportunities offered by the market, which until recently were considered nontraditional. Thanks to globalization and economic opening, they are closer than ever.

The EU is our second biggest trading partner and represents one-fifth of our country's foreign investment. We must continue to promote coinvestment projects, product exchanges, and information flows by taking advantage of the Cooperation Frame Agreement signed in 1991.

To this effect, we congratulate ourselves on the statement issued two days ago in Corfu by the EU heads of state and government, which recognizes that "strengthening relations with Mexico" is a common goal.

Spain, as an EU member, is an important Mexican ally. Our historical relations are currently at their best and represent extraordinary potential for the end of this century. In keeping with the broad affinities between our two nations, we will promote closer political cooperation, foster greater economic exchange, and facilitate the diffusion of our shared cultural values throughout the world. Mexico and Spain have promoted the wide communication that exists on both sides of the Atlantic Ocean.

Our relations with Spain must become a natural bridge between the EU and the North American free trade region, the world's two largest markets. I vow we will work together to consolidate our common idea that economic regions must not become fortresses but areas for opening and expanding trade.

Spain and Mexico have the great opportunity to collaborate more closely in making cooperation efforts and opening new opportunities to promote peace, security, and development in Latin America.

The Asian Pacific region has become one of the main trade and investment areas because some of the world's main economies are there. In fact, the Japanese economy is leading the pack. China has consolidated itself as not only a regional but a world power. The economies of the recently industrialized countries are experiencing a noticeable expansion, and we are beginning to see the growing development of Eastern Russia.

Mexico is a member of the international economic cooperation organizations of the Pacific Basin and is a full-time member of the three main regional economic sectors, including government, business, and education. Considering our presence there, we must broaden our relations and promote exchange at all levels.

As for Africa and the Middle East, regions with prospects for more development in the mid-term, we must explore their economic and financial cooperation potential. Based upon complementary foundations, we will advocate exchanges with strategic countries in such sectors as energy, agriculture, and, in some cases, industry.

Sixth: Strengthening Multilateral Organizations

Multilateral forums are suitable mechanisms for addressing the challenges common to humankind. The forging of a true new world order is based upon their performance and scope. Coordinating resolutions; promoting negotiations beyond the use of force; and favoring the creation of consensus on world peace, security, and development are the main goals of these multilateral organizations. I propose that Mexico actively encourage this vision during the current UN reforms.

The UN Charter reforms must be aimed at establishing a necessary balance between the General Assembly and the Security Council. The international community, fully represented at the Assembly, must have a larger role so it can lessen the excesses of power and recommend measures that will guarantee international peace and security.

I propose we support the reorganization of the Security Council to ensure that it more clearly reflects the interests of the 184 UN-member countries. It is necessary to revise the Council's responsibilities to see that it truly acts on behalf of all UN members, the number of which has tripled since 1945. That is why we want a better, more democratic balance at the General Assembly. We will also promote a thorough revision of the right to veto, which must not violate the interests and rights of the community of nations.

We want a strong, efficient United Nations that will help revitalize the legal framework for relations among states. The meager effect that the end of the Cold War has had on the universal aspiration to reach a general, complete disarmament is disheartening. The world is living in tense times because of the proliferation of nuclear arms in regions where there was none before. The growing illegal traffic of conventional weapons is also discouraging. The use of such weapons by drug trafficking gangs, violent organizations, and terrorists jeopardizes the security of nations and even of entire regions.

We view the OAS as an instrument at the service of continental causes. Its mandate is bound only by the will of the countries of America. That is why the organization needs to strengthen actions of international solidarity, effectively contribute to the peaceful solution of controversies, support dialogue and understanding, encourage negotiation rather than coercion, and promote cooperation among its members in favor of development and the fight against poverty. Those are the tasks that best embody the current interests of our continent.

I promise to preserve Mexico's traditional position of rejecting any collective action in the hemisphere that violates the principle of nonintervention and that threatens sovereignty and the self-determination of nations.

As for international financial organizations such as the IMF and the World Bank, which work on a global scale, the celebration of their 50th anniversary should be used as a time for reviewing their mandates, objectives, and strategies in order to promote confidence and the growth of the international economy.

The World Bank should review its policies to give clearer and more resolute support to the new development agenda, in particular to the financing of infrastructure, the struggle against poverty, and the preservation of the environment.

The Inter-American Development Bank, making use of the large increase in capital it has just received, should become the pillar of Latin American integration and fundamental support for our growth and the elimination of immense social inequalities.

Mexico is the only Latin American member of the European Bank for Reconstruction and Development so our country should take advantage of the projects that this institution supports in Central and East European countries in order to promote Mexican exports to nontraditional markets. By doing so, we will also be contributing to the expansion of international solidarity with that area of the world.

We are pleased with the successful conclusion of the Uruguay Round of GATT. We view with optimism the prospects opened by the World Trade Organization, and, along with the country's productive sectors, we will take full advantage of the new trade opportunities for the benefit of all Mexicans.

We will take advantage of our entry into the OECD to participate in the discussion of international economic policy and to benefit from the experience of developed countries in the fields of competitiveness, technology, regulations, tax policies, energy, and environmental protection.

Seventh: Formulation of a Development Agenda

In the next few years, Mexico will intensify its international cooperation efforts to find solutions to the great global problems that concern humankind: migration, protection of the environment, defense of human rights, democracy, and the struggle against drug trafficking. Mexico has its own interests to safeguard in each of these areas.

In all international forums, we will promote a new development agenda to deal with the difficulties faced by nations such as ours. We will promote a commitment from all countries to multiply efforts to fight poverty and illiteracy as well as to focus on health and demographic growth.

These topics represent a challenge to international peace and security. Some of the conflicts we see today in the world have been caused by a shortage of resources, overpopulation, poverty, deforestation, erosion, and the decrease of water reserves.

Mexico has actively and consistently participated in collective efforts for environmental protection. We have signed the most important agreements in this field. Mexico must remain at the international forefront in the ecological area. We will do so under the basic premise that the principle of equity among countries must be strengthened.

Mexico is going to promote international cooperation as a means of achieving an equitable, balanced growth of the world economy and as a solid base from which to contribute to efforts for peace and development.

Eighth: For a Direct Struggle Against Drug Trafficking

Drug trafficking is a grave threat to the national security of several countries, including ours. That is why I promise to fight it with all the power of the state. I know I will have the support of the Mexican people.

Drug trafficking transcends national borders. The fight against this scourge cannot be the responsibility of a single nation. There must be serious, determined efforts and cooperation from the international community to face it. Drug trafficking has reached a level such that it is defining its own economic basis, social structure, and culture.

We must acknowledge that consumption generates drug trafficking. That is why the consumer countries must be the first to assume their responsibility and directly attack the problem. For our part, we will resolutely join the efforts of the nations of the continent to achieve coordinated action by multilateral organizations, particularly the United Nations and the WHO, to intensify the development of programs to comprehensively prevent drug addiction.

These programs will be implemented primarily in drug consuming countries. Without evading our duty to crack down on the cultivation of narcotics, we demand that the industrialized nations combat the mafias that control the chemical processes and production of laboratory drugs.

We must see to it that drug trafficking gangs do not have a place to rest anywhere in the world. They must know that all nations alike repudiate their criminal activities and will firmly punish them.

The struggle against the large, organized gangs cannot be successful without the active participation of the entire international community. The war against drug trafficking demands money and supplies, and it is the consumer countries' duty to provide most of those resources.

I propose a double strategy for dealing with this complex problem. My first step would be to call the international community to a worldwide conference to establish renewed foundations of understanding and cooperation that would be acceptable to all parties involved and which would be based on continuity.

In response to a worldwide phenomenon like this, we must acknowledge that a lack of coordination among governments only strengthens our common enemy, the drug traffickers. This worldwide conference will be based on each country's open acknowledgement of its role in this complex criminal network, be it producer, consumer, point of transit, or money laundering center. It is the only way the international community can destroy this severe challenge to our collective safety and health.

Second, I advocate the formulation of an international cooperation plan based on four trends: the exchange of strategic information regarding consumer guidelines and the activities and modus operandi of the drug traffickers; international coordination to dismantle the organized gangs, while fully respecting the sovereignty of each nation; an effort to control the weapons trade through international records; and finally, the establishment of efficient mechanisms to pursue and punish money laundering.

The first step in this strategy is to achieve the concerted political resolve of the states most affected in order to obtain a firm commitment to eradicate this serious ill that is harmful to all humanity.

Ninth: Projection of our Culture

Mexico is a cultural power. We are proud to possess vast artistic wealth which, in the ever-growing diversity of its expressions, reflects the strength of a young, vigorous society. That is why we Mexicans are willing to make a creative contribution to the design of the worldwide civilization of the 21st century. We visualize that civilization as a friendly rapprochement among the great traditions of all peoples who aspire to strengthen peace and international cooperation.

Knowledge is the foundation of productive plans to generate wealth and welfare. Solid, useful knowledge should rest on a profound cultural foundation that will allow the knowledge to be shared and the scientific and technological abilities to be developed.

Thus, cultural activity is one of the fundamental tasks of foreign policy. Foreign policy that does not seek dialogue among cultures is devoid of human dimensions. We must work to enliven our political, economic, and commercial relations by creating a rapprochement between peoples and their histories. Cultural enrichment is a fundamental part of improving the Mexican people's welfare.

National identity is strengthened through exchange. It is the way we acknowledge ourselves as part of a broad legacy of universal culture, in which Mexico occupies a distinguished place. Cultural exchange reaffirms our international image and strengthens our artistic and intellectual lives.

Culture is the foundation of globalization and a means of affirming peoples' particular traits. Through culture, societies can share development processes without losing the features and values that characterize and distinguish them.

Mexico's cultural presence abroad should be an example of the diversification of our international relations. This presence must include every manifestation of our creativity. It must be a mosaic of all our ethnic and cultural groups. We are going to disseminate the country's cultural pluralism, which is the result of our history and the wealth of our society.

We will project our image in the world with the active participation of our writers, artists, and craftsmen. I will urge them to contribute their experience and knowledge

by proposing specific programs for dissemination and cultural exchange throughout the world.

There must be a close relationship between foreign policy and cultural presence. In this sense, I intend to make our cultural relations with the Ibero-American countries a priority.

The protection of cultural heritage should be strengthened worldwide. Battles against the illegal trafficking of cultural property and in favor of the recovery of cultural heritage are unavoidable commitments. Therefore, Mexico will promote new bilateral agreements and strongly encourage the activities of multilateral organizations like UNESCO.

Mexico is going to modernize the mechanisms for international cooperation to obtain scientific, technological, and educational resources that will contribute to the country's progress. This means making greater efforts to get closer to new sources of financing destined for international cooperation by multilateral organizations, private corporations, and other nongovernmental organizations.

Tenth: For a Comprehensive View of Foreign Policy

Mexico needs an effective, coordinated foreign policy in order to take full advantage of the extraordinary opportunities and to face the challenges of a constantly changing world.

A comprehensive foreign policy requires the convergence of political initiatives, diplomatic action, economic and trade promotion, and intense cultural exchange.

That is why I promise to establish efficient coordination mechanisms that will regulate and channel the diverse foreign activities undertaken throughout the Mexican Government.

We have a career foreign service that is one of the most professional in the world. I promise to try to obtain effective support for it to fulfill its functions. Likewise, we will follow a policy of developing and training human resources in the traditional areas as well as in others that the new international situations demand.

We must simultaneously strengthen our diplomatic and consular missions, as well as those of a technical nature, which are located in areas of strategic interest to Mexico, and always ensure their proper coordination under the direction of the government.

With strict respect for the division of branches of the federation, the executive branch should work closely with the Senate on foreign policy. The Senate's participation, which is established in the Constitution, will gain greater relevance now in light of the recent reforms that will enhance pluralism in the upper chamber.

I also call for more extensive participation by citizens in drawing up foreign policy. Our diplomacy must be the product of consensus among all the nation's forces and sectors. In its design and implementation, we must include the diverse social groups that have established active ties abroad and those interested in international affairs. We will encourage more active participation by the academic, business, and intellectual community as well as by the nongovernmental organizations. The government I hope to lead will make its own the causes and interests of a citizenry that is increasingly better informed and which participates in our international work.

I invite the public, Mexican diplomats, experts, and scholars to improve this foreign policy proposal with their knowledge and thought. In particular, I ask the president of the National Executive Committee of our party to see that the International Relations Commission examines my proposal and perfects it with its observations. This will bring about a more vigorous Mexican presence in the world of the 21st century.

Ladies and gentlemen, the world faces new challenges at the end of this century. The current moment is a watershed in history which demands the forging of new consensus and institutions to build a new, stable, peaceful world order.

The world is rapidly advancing toward globalization. The exchange of merchandise, services, and capital is increasing. Democracy has made important headway in recent history. The immediate challenge is to create conditions for economic development and social equality, which will make possible domestic stability and strengthen democracies. There is no single model of democracy that can be successfully exported without adjusting it to the cultural, historical, and social conditions of each country. Today more than ever, ideological pluralism continues to be a valid and central principle of international coexistence.

Near the end of the millennium, Mexico faces the challenge of consolidating its project of economic modernization, political democratization, and social development at a time when great uncertainty exists about the future of the world order. Mexico must face the challenges of its growing interaction with the world based on our firm principles and revitalized diplomatic activity and with an awareness of our geopolitical and socioeconomic reality to satisfy an open and plural society's aspirations for progress, freedom, and justice.

My foreign policy proposal recognizes the realities of the changing world system and is based on Mexico's recognition as a country with multiple sectors, without exclusions.

Mexico is a meeting place, a crossroads between different geoeconomic, goepolitical, and cultural regions. Mexico is the border between Anglo-America and Latin America. it is a point of confluence between the Caribbean, Central America, and South America. Mexico can become a bridge that links the industrialized world with

the regions of relatively less development; a link between the Asian shores and the American coast of the Pacific basin.

The basis for Mexico to strengthen and fully exercise its national sovereignty is found in the consolidation of the democratic institutions. Democracy permits us to unite wills without making them uniform and to set common goals while respecting differences. That is why I am committed to dialogue, based on tolerance, as the best path to progress, respecting the wealth and the political plurality of Mexican society.

Today I confirm the PRI's commitment to clearly and resolutely contribute to the clean and honest execution of the 21 August electoral process. Our party is determined to participate with honesty and democratic honor in exemplary elections. We are going to compete by placing our trust in the impartial electoral bodies and the citizens' vigorous presence. The PRI is going to compete to obtain a clear and legitimate victory. We are going to win to govern Mexico, with respect for the law, tolerance, dialogue, and full respect for republican institutions. That is my commitment. Thank you very much.

State Attorney General Reports on 11 Jun Car Bomb

PA0207044994 Mexico City UNOMASUNO in Spanish 29 Jun 94 p 14

[Report by Emilio Vasquez Perez]

[Text] Guadalajara, Jalisco, 28 Jun—Leobardo Larios Guzman, the state's attorney general, reported today that the Arellano Felix brothers masterminded the car bomb attack which exploded in front of the Camino Real Hotel on 11 June and that one of the dead, Guillermo Gomez Chavez, alias El Boni, reportedly had participated in the shooting in which Cardinal Juan Jesus Posadas Ocampo had died.

During a news conference, the official said similar clashes have occurred between members of the Arellano Felix gangs and followers of Joaquin Guzman Loera, alias El Chapo, and Hector Palma, alias El Guero. He added that according to the investigations conducted by the state's judiciary authorities, both Gomez Chavez and Marcial Gonzalez Muniz, who died in the car bomb explosion, worked for the Arellano Felix brothers and apparently triggered the detonating mechanism by mistake. Larios added the bomb consisted of TNT and pentapentryl and was stored in a 13-kg capacity gas tank. Larios Guzman denied the device had been wrapped as a gift and instead reported it "had been fixed on the trunk's left side, close to the back seat."

The night of the explosion, a party was thrown in one of the hotel rooms for Carima Fernandez Castro, daughter of drug trafficker Luis Enrique Fernandez Uriarte, alias El Quiquis, who is linked to Guzman's band.

Larios Guzman said the state's Attorney General's Office will ask the Federal Prosecutor's Office to issue an arrest warrant against Francisco and Javier Arellano Felix, considering these are federal offenses.

Drug Trafficker Araujo Burgos' Escape Confirmed

PA0307004794 Mexico City NOTIMEX in Spanish 0848 GMT 2 Jul 94

[Text] Oaxaca, 2 Jul (NOTIMEX)—The Attorney General's Office of the southern Mexican State of Oaxaca confirmed today the escape of drug trafficker Arturo Araujo Burgos, who escaped while being transferred to a high security jail.

Jorge Rustrian Fuentes, director of investigations at the Attorney General's Office, said the incident occurred on 30 June as Araujo was being transferred, unescorted, from the local Ixcotel Jail to the Cosolapa Center, the highest security installation in the state.

The official said Miguel Angel Maldonado and Hector Schultz Varela, the wardens at the two prison facilities respectively, are under investigation for their possible participation in the escape.

Rustrian added there are several "inconsistencies" in the two men's statements. They could face charges for helping a prisoner escape because Araujo, sentenced to 14 years for crimes against public health, was being transferred unescorted.

Rustrian Fuentes explained there have been no arrests up to now due to the provisions of the new In Fraganti Law. Although a crime has been committed, there is insufficient evidence to press formal charges.

Costa Rica

Government Responds to 'U.S. Pressure' on Cases

PA0107213694 Paris AFP in Spanish 1508 GMT 1 Jul 94

[Text] San Jose, 1 Jul (AFP)—The Costa Rican Government announced it will not give in to U.S. pressure to block the granting of loans to Costa Rica due to the nonresolution of several cases of expropriations involving U.S. citizens, official sources confirmed on Friday.

Costa Rican First Vice President Rodrigo Oreamuno said his government seeks to progress in resolving seven cases of expropriation that are still pending, but he said he will not allow the victims of confiscated properties to attempt to obtain more benefits by taking advantage of the U.S. warning.

According to Oreamuno, the government has informed the U.S. Embassy in this country of the willingness of the current government, which came into power nearly two months ago, to resolve the cases of expropriation involving U.S. citizens. Some of these cases date back nearly a decade and are in various stages of negotiation.

These reactions have come after the U.S. Embassy reminded the Costa Rican Government of the deadline, which expires on 29 July, to show significant progress in the resolutions of the various cases of expropriation. If there is no significant progress in these cases, the United States will apply the laws protecting the property of its citizens abroad.

"The United States must suspend all bilateral aid and it must oppose all loans granted by international financial institutions to countries that have confiscated properties from U.S. citizens without corresponding compensation being made," a communique released by the U.S. Embassy has read. This warning is included in the Foreign Relations Authorization Law approved in the United States two months ago.

"It is not possible to really think about improving relations with the United States, relations which have undoubtedly deteriorated, if a serious arrangement is not made," Oreamuno said, according to a report published by the local newspaper LA REPUBLICA.

Costa Rica and the United States have been involved in the last few years in a series of diplomatic conflicts that have separated these two nations, which had very close relations during the decade of conflicts experienced in Central America.

To exert pressure for the resolution of the cases of expropriation, the United States in late 1992 tried to block loans for approximately $170 million, which Costa Rica had been negotiating with the Inter-American Development Bank. The move did not prosper, and in 1993 the credits were released.

Another one of the recent diplomatic quarrels between the United States and Costa Rica occurred late last year when the leading U.S. labor union tried to get the Central American nation suspended from receiving trade benefits for alleged labor rights violations.

Police Seize Arsenal Bound for Mexico

PA0207194694 Mexico City XEW Television Network in Spanish 0430 GMT 2 Jul 94

[From the "24 Hours" newscast]

[Text] Today, Costa Rica's Judicial Police reported the seizure of a weapons arsenal in Upala on the Nicaraguan border. The weapons were apparently bound for armed groups in Chiapas.

Police arrested eight individuals who are reportedly members of a guerrilla group that may have ties to the subversive group that staged a rebellion in Chiapas on 1 January. Among those arrested is Mexican citizen Miguel Gustavo Rocoy. Nicaraguan and Salvadoran citizens were also arrested. Costa Rican judicial agents are looking for at least 10 more people. Police seized at least 10 AK-47 assault rifles in the operation. Costa Rican authorities are currently trying to determine if weapons are being supplied from Costa Rica to the subversive group that has been operating in Chiapas since January.

Extradition of Guerrilla Denied

PA0207233994 Panama City ACAN in Spanish 1712 GMT 2 Jul 94

[Text] San Jose, 2 Jul (ACAN-EFE)—The Costa Rican Government denied today it has turned an alleged Zapatist National Liberation Army (EZLN) guerrilla over to Mexican authorities. The alleged guerrilla was arrested on 28 June in the northern part of the country along with four Nicaraguans. A weapons arsenal was also found.

Presidency Minister Elias Soley said his government has not deported Mexican citizen Miguel Gustavo Ricoy Cortes, who, according to the Costa Rican newspaper "LA NACION," has allegedly tried to purchase weapons and recruit men in this country for the EZLN, which operates in the southern State of Chiapas, in southern Mexico.

The newspaper reported today that Ricoy, who was arrested by the Judicial Investigation Agency (OIJ) and who was later turned over to Costa Rica's Intelligence and Security Directorate, "was comparable to a liaison officer between gunrunners and guerrilla recruiters for the Zapatist movement."

The Mexican citizen was apprehended along with four Nicaraguans from whom the OIJ seized an arsenal of 11 assault rifles and one .38-caliber gun at the home of Nicaraguan brothers Erasmo and Santos Narvaez, in Upala Canton, in the northern part of the country near the Nicaraguan border.

According to the newspaper report, other members of the group escaped the OIJ's action, including a Nicaraguan citizen identified as Carlos Trana, who has been blamed for the murder of a Costa Rican policeman. Two of the arrested Nicaraguans are alleged members of Nicaragua's Sandinist Army Special Forces.

The northern part of Costa Rica has been one of the most volatile areas of this country for over a decade because of the high and uncontrolled illegal migration of Nicaraguans as well as the large number of crimes and gunrunning.

El Salvador

President Orders Investigation of National Police

PA0207173994 San Salvador Canal Doce Television in Spanish 0300 GMT 1 Jul 94

[Report by William Menendez from the "Up-to-Date Newscast;" passages within quotation marks recorded]

[Text] President Armando Calderon Sol announced on Thursday that he ordered an in-depth investigation of the National Police to see if there has been any complicity with organized crime. The president said a purge was initiated before the National Police force was scheduled to be disbanded, and the body's actions are limited to surveillance and arrests.

[Calderon Sol] "There will be changes in the National Police."

The president thus revealed his decision to complete the investigation of the notorious Banco de Comercio heist, and he expressed his determination to fight impunity and organized crime. The president also reported that a purge had already been initiated in the National Police ranks.

[Calderon Sol] "[words indistinct] has been started and the purge will [words indistinct] a file by file review of all National Police personnel. We will find out if National Police personnel have been involved in organized crime. If National Police personnel are found to have been involved in organized crime, we will bring those people to justice, regardless of who they are."

Regarding the first judicial investigations of the millionaire bank heist, the president said that if there is proof of police negligence, the parties involved will be held responsible.

[Calderon Sol] "We are investigating to find out if there was negligence or malice by our [words indistinct] because we cannot accept this. We must get to the bottom of this case. Anything less would be like mocking the Salvadoran people."

Relentless has been one of the president's favorite words when referring to the fight against crime. That is possibly why several measures will be taken in the National Police.

[Calderon Sol] "We are studying the possibility of dissolving the National Police Criminal Investigation Section and of assigning those tasks to the National Civilian Police."

The president's position is endorsed by businessmen who approve of investigations being initiated by the National Police; that is, an investigation to accurately establish if this distrusted security organization can be trusted again.

Guatemala

De Leon Comments on Alleged Assassination Plot

PA0207011594 Guatemala City Teleonce Television in Spanish 1900 GMT 1 Jul 94

[Report on news conference by Guatemalan President Ramiro de Leon Carpio with unidentified reporters on 1 July; from the "Telepress" newscast; place not given—recorded]

[Text] President Ramiro de Leon Carpio today remarked on an alleged plot against his life which the security agencies have uncovered. He said he has ordered a thorough investigation, because a report by the police director is all there is available on the matter. He also said no threats will make him waver from his proposed course as the head of government:

[Begin recording] [De Leon] First, I would like to say a report had been received by the presidential staff which is in charge of protecting the president and his family and handling all physical, logistical, and planning matters related to this duty so that the president can conduct his duties unimpeded. After the report was received, the men responsible for my safety, who are accountable to the presidential staff, determined that the reports were reliable. They detected that one person, who, of course, had used a false name, had registered at the Ritz Continental Hotel. The investigation also disclosed the presence of a firearm in the hotel.

I am satisfied with and proud of my staff, not only for the manner in which they handled this situation, but for their efficiency in protecting the lives of the president and his family and for providing the physical and logistical resources so that the president can conduct his duties.

I was fully informed of the plot; this is why you all saw me, unlike other times, standing at the balcony behind bulletproof glass. We were aware other plots or attempts could have existed, although the one at hand was already under control. Whenever there is a report as this, buildings and the surrounding areas are checked. The idea was to capture the suspect when he appeared at the hotel the

day of the attempt or the previous one, but, unfortunately, he failed to show up and, consequently, was not captured. As a result, the police were asked to intervene, and this is what they did during a news conference yesterday.

The staff conducted everything related to the investigation. I would like to reiterate that I am very grateful to them, not only for this investigation but also for all of the investigations they have conducted, zealously and efficiently performing their duties.

I have ordered an investigation and I want to get to the bottom of this issue. I want to clearly establish who is behind this plot, and we will, because there is a firearm. Although its serial number has been blotted out, there are procedures for tracking it. As I said, I have asked and ordered all agencies in charge of handling these types of matters to find and arrest those who allegedly plotted to kill me.

What can I say? First, I thank God. I am a man of great faith. The day before yesterday, when I learned of the plot, I remembered a Bible verse saying, more or less, that we should not be afraid, that God, Jehovah, takes our hands in His hand and guides us and tells us: Fear not, I will protect you. When we have faith, when a president performs his duties honestly and facing many obstacles, he must go ahead. I am not afraid in the least or deterred from going ahead. In addition, this incident proves we are doing things well.

[Reporter] Who do you believe is involved in the murder attempt?

[De Leon] We do not know yet. I do not want to disclose anything now, but we are going to find out who is involved.

[Reporter] Do you believe the ongoing peace process triggered this attempt?

[De Leon] I do not know. I sincerely do not want to disclose anything now, because the investigations could be impeded, [word indistinct], or hindered if I were to disclose any information.

[Reporter] Could [words indistinct] occur at such an important moment for Guatemala?

[De Leon] It should not have a negative effect. As a statesman, I must see this episode openly, calmly, and unemotionally but at the same time, of course, with concern; that is why I have ordered an investigation and am demanding results. I do not believe it should alter or hinder the peace process, which has progressed greatly as you all know, or, much less, the internal political process.

I believe the next two or three months will be difficult, because the peace process will conclude soon. Any country that is about to reach peace is bound to have problems. Several people or groups could be attempting to block the process and destabilize the country. Can you imagine the consequences of an assassination on a national and international level? Thank God it did not occur.

Regarding the internal, political situation, I believe we have overcome the most difficult part. We are about to solve the problem of deteriorated relations between government organizations. I am truly confident I will be present at the installation of the new Congress. I will attend the event with my entire cabinet and all civilian and military authorities; this will initiate a new phase in Guatemala's [words indistinct] relations, functions and will allow the government to reach its goals.

Once we favorably conclude the peace and internal political processes, I will be able to dedicate more time to economic and social issues, to continue combating poverty, and to obtain investments for the country; that is why I am going to Taiwan. The trip has not been suspended. Everything will continue as scheduled.

I am going to attend in a few moments a Railroad Workers Union event to which I have been invited. My life will continue as usual. Naturally, the necessary precautions will be taken. It is not very pleasant to know there are people who would like to eliminate the president of the Republic, but at no time should this stop the internal political process, the peace process, much less the work of the government over which I am honored to preside.

Everything has to continue. I have faith in God and have faith in myself. I have the political resolve to continue working and will not spare any efforts to do so, and I will do so even harder than before. I reached the conclusion yesterday from a—let us say—spiritual viewpoint that if bad Guatemalans want to eliminate the president, it is because he is doing things right and because he is making structural changes. You may have heard the speeches by the defense minister and president of the Republic yesterday. They determined we have made true advances in the institutionalization of the Guatemalan Army. I have the total support of the Guatemalan Army, the Armed Forces, the Guatemalan people, the international community, and I have God's help; thus I have nothing to fear. [end recording]

Details of Assassination Plan

PA0107145894 Guatemala City PRENSA LIBRE in Spanish 1 Jul 94 p 3

[Article by PRENSA LIBRE Editor Raul Meono Rodriguez]

[Text] According to National Police Director General Salvador Figueroa, a few days ago the security forces learned of a plot to assassinate the president and they immediately increased protective measures to find the responsible parties.

Last Tuesday a sharpshooter rented room No. 916 at the Ritz Continental Hotel on 10th Street and A Avenue,

which has a direct view of the National Palace just 350 meters away. There were two beds and a picture of [soccer player] Maradonna in action in the room. The man who rented the room said his name was Herman Salvatierra from Quetzaltenango. The police reported that on that day the man left in the room a rifle with a telescopic sight, a suitcase full of clothing, a sports cap with Arabic letters in blue and white, and three .243-caliber bullets that have an effective distance of 500 meters. According to the police, the mercenary left the room but investigations revealed his presence. A surveillance operation was set up so he could be arrested when he tried to commit the assassination.

After it was learned that the hired gunman was in the area, men dressed in civilian clothing carefully watched the area near the hotel and the rented room, waiting for the suspect. Surveillance was increased early yesterday morning, but it was kept secret to avoid alerting the suspect so he could be arrested. At exactly 1255 yesterday, a police car, a patrol car, and a van with approximately 35 policemen inside arrived at the hotel to support the arrest operation. The suspect, however, did not show up, so authorities requested that the hotel staff open the room.

Approximately 10 policemen from the special commando group went into the room and found the rifle with the telescopic sight. The weapon was not loaded. A few minutes later, the National Police director general held a news conference to announce what had happened.

It was also learned yesterday that a deputy, whose name was not disclosed, hired the gunman and planned the assassination. His name could be announced once the investigation concludes. It was unofficially learned from a reliable source that the assassination was planned because of a personal vendeta against President Ramiro De Leon Carpio, who was notified yesterday of the plans and therefore took other security measures.

The National Police said that a composite sketch of the suspect would be prepared, based on the description provided by the people who saw him, so he can be captured before leaving the country. The police director assured that this will be done.

If there had been an assassination attempt on the president, it would have been the second in the country so far this century.

Congress President Condemns Plot

PA0207014094 Guatemala City Teleonce Television in Spanish 1900 GMT 1 Jul 94

[Report on interview with Vinicio Villar Anleu, president of the Guatemalan Congress, with an unidentified reporter on 1 July; from the "Telepress" newscast; place not given—recorded]

[Text] Guatemalan Congress President Vinicio Villar Anleu has condemned the plot against President Ramiro de Leon Carpio, adding that there is no evidence whatsoever about the involvement of a deputy:

[Begin recording] [Reporter] What are your comments on the plot against President Ramiro de Leon Carpio, supposedly involving a deputy?

[Villar] As Congress president I would like to state for the record we condemn this type of attitude and denounce the fact there are those who may still believe problems can be resolved as in the past, by causing more deaths and misfortunes in our country. Regardless from where they originate, these types of attitudes are reprehensible and reproachable. We say so emphatically and ask the president and those authorities entrusted with the country's internal security to carry out immediate, in-depth investigations and to determine exactly who the plotters are. This will make the people trust the institutions and, above all, ensure the safety of high-ranking government officials, in this case, the president. Thank God we are now not having to regret a tragic moment thanks to a rapid detection that foiled the plot; nevertheless, we must state clearly for the record this must be condemned, whatever the origin.

[Reporter] Do you believe a deputy is involved?

[Villar] I still believe that when no investigations have been carried out and as there is no conclusive evidence, false news should not be released, because this further confuses public opinion. I believe Guatemalans need to join forces right now, to understand one another and try to resolve problems together. There is no excuse for a morning newspaper such as PRENSA LIBRE to publish false news once again by alleging a deputy may be involved in the plot. If the newspaper is a serious medium and has reliable information and publishes a news item, it should supply the name and the evidence; otherwise it means it is continuing its practice of trying to harm Congress, deputies.

I do believe this is irresponsible, releasing unsubstantiated news. There are other examples. For instance, they once said a deputy had been expelled from his party, which was not true. They mentioned later I was related to a suspect in the Jorge Carpio murder. This was proved later to be untrue. There was another news item in which I headed the list of deputies who have not paid taxes. I proved this as totally false. In fact, only yesterday the president and the finance minister said at no time have they mentioned any name of a deputy, and they are well aware that my taxes are up to date. Nevertheless, this newspaper released this news this morning, something I believe is irresponsible.

As Congress president, I would like to say at no time could Congress be involved in such a plot. There is no interest on the part of Congress affecting the president. He is the president of another branch of government. On the contrary, we have maintained very good relations, good communications. Problems that have arisen have

been resolved through dialogue, understanding, and through the same democratic means the system is demanding now.

[Reporter] Could this endanger the August elections?

[Villar] Thank God there are no tragic events to regret. We must recognize the skill of the president's security in thwarting this plot, but if these types of actions continue, this will endanger not only the 14 August elections but the country's institutions, and the entire democratic process could be dashed. In this regard I am taking the opportunity to request that all sectors sit down, talk, and try to resolve problems by understanding one another and that each person contribute in resolving the country's political, economic, and social problems around a negotiating table, because I believe new generations in Guatemala deserve a better future. [end recording]

De Leon Remarks on Advancements in Peace Talks

PA0207011194 Guatemala City Radio and Television Networks in Spanish 0300 GMT 28 Jun 94

[Speech by Guatemalan President Ramiro de Leon Carpio; place, date not given—recorded]

[Text] People of Guatemala: A week has just ended, and another one is beginning. We have faced problems and reached solutions to a structural and [word indistinct] type during this time.

Among the events that occurred this past week, we must stress the illegal strike carried out by several physicians. This action negatively affected thousands of Guatemalan families, because, in certain cases, they were refused attention at hospital emergency rooms. The government of the president of the Republic acted firmly in defending the Guatemalan people's interest and, with the law in hand, put down the strike. The physicians who acted illegally have learned their lesson. They will receive a disciplinary punishment and will be criminally charged, if necessary. Those days they did not work will be deducted from their wages, and those who deserve it will be fired.

Not everything is lost in Guatemala, however. My compliments and absolute backing to hospital directors, physicians, paramedics, nurses, and medical aides who filled in for the strikers and directly tended the emergency cases, thus avoiding further damage to the people. Special thanks and compliments to the personnel of Roosevelt Hospital for their unselfishness and sensibility, because despite all the pressure they received, they never stopped their work at the hospital.

Regarding the occupation of Constitution Square, a problem which appeared precisely as we were holding the negotiations in Oslo, it has also been resolved, and the people have returned to their previous settlement. This was done within the framework of the Agreement for the Resettlement of People Displaced by Violence signed recently in Oslo, Norway. In the future, the people will be settled on lots they will buy in [words indistinct], pay the value of the land, and [words indistinct].

Guatemalans, I believe it is time for the people to share in the solutions to problems through coordinated actions in which local committees, development councils, and municipalities participate in supporting decentralization, and the people could also participate in the decisionmaking process, and [word indistinct] of their own development as an effective instrument to combat poverty.

I would like to spotlight today an important advancement in the peace process that occurred last week. The peace process was at a standstill a year ago. Guatemalans must know that we have never been closer to the signing of a peace agreement and to the end of the internal, armed confrontation. We have taken important steps in the past six months. In January we signed the framework agreement in which both parties agreed to sign the peace agreement this year. In March we took another step when we signed the General Human Rights Agreement and, at that same time, signed an agreement to cover immediate, international verification. What has been even more important is the calender agreement, which includes—I must emphasize—the cease-fire in September, the demobilization of the guerrillas in December, and the signing of lasting peace before the year ends.

We signed the Agreement for the Resettlement of People Displaced by violence in Oslo ten days ago, and only four days ago, on the 23d of this month, we signed the agreement establishing a commission to clarify historic, human rights violations and the [word indistinct] of violence that could have been inflicted on Guatemalans, better known as the Truth Commission.

This commission was not created to get even, to seek revenge, to place blames, much less for judicial reasons; quite the contrary. It was created to strengthen peace and reconciliation and to promote forgiveness. [Words indistinct] must be long lasting, avoiding a repetition of these incidents, and it must be a source of reflection in attaining a better Guatemala. We have committed ourselves to establishing the necessary legal and ethical mechanisms and conditions to ensure its fulfillment.

Only 24 hours after signing that accord we visited (?Ixcan) Municipality. Accompanied by several ministers of state and civilian and military government officials, I visited several communities where armed confrontations and a rebel presence are still reported. Our visit was aimed at continuing the struggle, but the struggle against poverty, thus fulfilling the second [word indistinct] of the National Peace Plan, which is based on finding answers to the people's economic and social needs, especially those who have been affected by the war for more than 30 years. We also inaugurated health centers, roads and paths, schools, [words indistinct] drinking water, in which we invested 18 million quetzals.

Our message to those communities, considering [words indistinct] reconciliation among brothers who remained in Guatemala and those who had to seek refuge in other countries and are now returning to the country. Social and economic assistance must reach the two groups, and the two groups are obligated to reconciling.

Today, more than ever, the task of promoting reconciliation falls on the church, on those evangelizing missions, and on all the people of Guatemala. It is necessary to attain true and lasting peace.

Guatemalans, allow me to tell you the duties of a president can be very difficult, painful, and happy. The progress we have made in only six months brings us closer to the signing of peace. This is a happy moment for us, and it is also encouraging, because it is proving to the world Guatemalans want peace despite the obstacles we have encountered during the past 35 years. The people of Guatemala have been at war for too long. It is time to change our attitude, and this is happening today as we confront a generalized and spontaneous movement to find common positions, to find links in the chain to make a better Guatemala in every sense.

Believe me, Guatemalans, I am truly moved, because I can at last see the first results of an action for peace and reconciliation. Guatemalans, to attain peace there must be reconciliation, and reconciliation gives way to forgiveness. We must [words indistinct] victims of too many years of confrontation. We must not use the words winners or losers. We must forget the words victory and defeat, because we have all been affected by the same sorrow and the same tragedy. Each of us must contribute our own grain of sand for the good of a Guatemala where we can immediately begin to work to eliminate the causes of war. These no longer have ideological [words indistinct] much less confrontation between two superpowers. Not everyone was involved in the war, but it is your duty to become involved in the struggle for peace.

Peace undoubtedly depends on the political will of the parties directly involved, and this will exists within the government over which I am proud to preside and, most naturally, within the Guatemalan Army. Most important of all, however, it depends on what each and every Guatemalan does. We must all understand our country is getting a new chance, and we must work together for this to ensure an equal society in which everyone will have access to new opportunities, and through our work we must build the country of which we have dreamt at one time or another. For this we must, first of all, set aside selfishness, and instead of thinking of ourselves we must think of attaining a country [words indistinct].

In conclusion, I would like to tell you, people of Guatemala, that we, our generation, did not begin the war, but we will have the honor and privilege of ending it, and this we will do.

URNG Commander Meets With Spanish Foreign Minister

PA0207034894 Madrid EFE in Spanish 1030 GMT 29 Jun 94

[Excerpts] Madrid, 29 Jun (EFE)—Spain will be the site of the third round of peace talks between the Guatemalan Government and the Guatemalan National Revolutionary Unity (URNG) in October, Commander Rodrigo Asturias, known as Gaspar Ilom, told EFE today. This was the main topic of yesterday's meeting between Spanish Foreign Minister Javier Solana and Commander Rodrigo Asturias (son of Nobel Prize for Literature winner Miguel Angel Asturias), who is visiting Madrid following the signing of recent agreements in Oslo.

The "Army's role in a democratic society and the strengthening of civilian power" will be the subject the Guatemalan Government and the guerrillas will discuss during the negotiations to be held in Madrid.

"We believe Spain will be the best site for such a complex and delicate topic, because it is a country where a democratic process, which is still an example to us, has been developed," Asturias told EFE.

For Commander Gaspar Ilom, pseudonym of Rodrigo Asturias, the meeting with Solana was "highly positive and constructive" and within the negotiating process in which Spain plays a very important role in the Group of Friends, which also includes Mexico, Venezuela, Colombia, the United States, and Norway. [passage omitted]

Asturias said "the agreements reached in Oslo firmly open the door to the negotiation process. Although they do not entail immediate peace, they do create excellent conditions for addressing substantial topics during the negotiations."

Nevertheless, despite the progress and the fact that "peace is closer," Asturias stated his "concern," which he expressed to Solana, over "nonfulfillment" of the Comprehensive Agreement on Human Rights, which was signed three months ago today. He charged the government "has not shown political resolve, not even to publicize the agreement."

Asturias explained that prior to the Madrid meeting, the government and the guerrillas must negotiate the topics of "rights and identity of Indian peoples" and "socioeconomic aspects and the agrarian situation" at sites that have yet to be decided.

Despite these signs, he added, the negotiations "are accompanied by the silent sound of repression and violence, which bring about the murder of a political leader each week and the struggle that continues in the trenches."

Honduras

Government Announces Plan for Energy 'Crisis'

PA0307030694 Hamburg DPA in Spanish 1941 GMT 2 Jul 94

[Text] Tegucigalpa, 2 Jul (DPA)—The Honduran Government today announced an emergency plan that includes several measures to cope with the energy crisis in the country. Honduras is experiencing a serious energy crisis resulting from the water shortage in the dams that feed the El Cajon Hydroelectric Plant, the country's leading electricity generating facility.

The situation, which began in March this year, worsened to the extent that the rationing of electricity includes daily cuts in power lasting as long as 10 hours.

The measures to cope with the crisis include turning off all the street lights during the day and 50 percent during the night. Another measure consists of immediately suspending all rural electrification programs and shutting off electricity to all communities without meters.

The plan is aimed at forcing users to reduce their consumption by at least 15 percent. Whoever disobeys this regulation will be fined, and second or third time offenders will suffer an immediate cutoff of service. Large corporations will be forced to use their own generators.

According to Jorge Valle, manager of the state-run National Electric Energy Enterprise [ENEE], the situation necessitates the establishment of even tighter rationing and the cutting off of service of users who fail to cooperate with the electricity-saving programs.

He said if the present rate of decline in water levels at the plant's dams continues, the plant will be able to operate for only one more month. The El Cajon plant can generate 300 megawatts but is operating at half capacity. One of its four turbines stopped on 1 July, a situation which aggravated the crisis.

ENEE technical reports indicate an abnormality in the operation of the remaining turbines resulting from the water shortage. The plant will have to operate under this condition, however, due to the emergency situation, Valle said.

Government Issues Decree on Energy Emergency

PA0507012294 Tegucigalpa LA TRIBUNA in Spanish 2 Jul 94 p 11

["Text" of Electrical Energy Emergency Measures Decree signed by Honduran President Carlos Roberto Reina on 1 July]

[Text] Whereas: As a result of the executive decree issued by the president of the Republic during the Council of Ministers meeting on 21 April 1994 establishing the Electrical Emergency Subcommission as, essentially, an advisory and consultative body to the National Enterprise for Electrical Power [ENEE], in order to cooperate with this institution in handling the electrical energy crisis through which the country is currently going;

Whereas: Due to the seriousness and urgency of the crisis that has developed, it has become necessary to endow the commission with administrative and executive authority to carry out its objectives in a propitious, swift, and efficient manner as demanded by circumstances;

Whereas: The emergency electrical crisis has led to the creation of this executive decree establishing the subcommission and by using the powers granted by Article 245, Paragraph 1, Nos. 11, 20, 35, and Article 252 of the Constitution of the Republic, as well as Articles 11, 22, 9, and 117 of the General Public Administration Law, the government hereby decrees:

1. To Amend the second article of the executive decree issued by the president of the Republic during the Council of Ministers meeting on 21 April 1994 whereby the Electrical Emergency Subcommission was established, which from here on should read as follows:

Second Article: To initiate the Executive Commission of the Electrical Emergency Subcommission with jurisdiction throughout the country, the commission will have the authority to conduct its duties to solve the electricity rationing problem. In addition, it will take the appropriate steps to resolve the crisis efficiently and reliably, as well as implement an electrical sector expansion program and coordinate actions, initiatives, and efforts aimed at ensuring the problem will not recur.

The Executive Commission will be authorized to demand the cooperation of the ENEE, the Central Bank of Honduras, the various state secretariats, as well as decentralized institutions so that these organizations will adopt the necessary measures aimed at resolving the crisis.

The Executive Commission consists of the Executive Committee and a group of advisers and includes the Communications, Public Works, and Transportation Ministry secretary of state or the person whom he may designate to chair the commission, as well as the ENEE manager or the person he may designate; Engineer Raul Flores Guillen; Engineer Luis Cosenza; and Mauricio Mozzl, who will be the acting committee executive secretary.

The advisers will be Adolfo Facusse of Honduran Council for Private Enterprise; Roberto Reyes Silva of the Cortes Chamber of Commerce and Industries; Rafael Ferrari, representing the media; and the president of the Republic or the person he may designate.

The Executive Commission, which shall be the only authorized mouthpiece for the government concerning all aspects related to the crisis, will inform the president weekly of the actions taken and the results achieved; the commission will also periodically inform the nation of

the same issues. The commission should announce the measures of austerity and efficiency as well account for the ENEE's endeavors carried out in conjunction with the private sector as a result of the Contract-Plan signed with the government of the Republic.

The Executive Commission will be responsible for overhauling the electricity sector in accordance with the law that Congress will approve as a result of the General Law, which has already been submitted.

The ENEE and, eventually, other state institutions will supply the necessary personnel. The duties of the Executive Commission will cease as soon as it complies with the tasks for which it was created, and the personnel on loan will return to their normal jobs at the institutions that provided them.

Article 2. The current decree shall become effective immediately and will be published in the official daily "LA GACETA."

Article 3. Convey the issuance of the current decree to the National Congress.

[Issued] The Presidential Palace, Tegucigalpa

Additional Urgent Measures on Rationing

1. Turn off daytime public lighting.
2. Turn off 50 percent of public lighting by disconnecting every other lamp.
3. Turn off signs, displays, and lights in public and private buildings.
4. Immediately suspend rural electrification programs but continue with contracted obligations. Disconnect all the unmetered communities that are supplied with electrical service.
5. Make it an obligation for all customers to reduce electricity consumption by at least 15 percent. If they do not comply, they will be fined, and services will be suspended for those who do not comply. This can be done by comparing the average invoice of the past six months to the current invoice.
6. Force the large companies that have power plants to use them by restricting to the maximum per month the supply of ENEE-generated electricity to each company so they will use their own plants to meet their needs.
7. These measures should be binding, implemented immediately, and sanctions should be applied to those who do not comply.

[Mexico City NOTIMEX in Spanish at 1818 GMT on 4 July reports: "The rationing of electricity in Honduras will begin today for 12 hours given that as of Monday, only two of the four turbines of the Francisco Morazan Dam are working, according to official sources. The current water level is 225 cubic meters above sea level, which ENEE engineers have labeled as critical. When the water level reaches 220 meters above sea level, the dam should stop operating. The present demand for electricity in Honduras is approximately 150 megawatts daily."]

Deputy Questions U.S. Troops' Antidrug Role

PA0407204994 Tegucigalpa EL PERIODICO DE HONDURAS in Spanish 4 Jul 94 p 27

[Text] Tegucigalpa—"It is ridiculous to believe that a contingent of U.S. Marines or armored personnel carriers will be responsible for fighting drug trafficking from Palmerola Base in Comayagua," Deputy Carlos Sosa Coello said. His comments were sparked by "speculation" regarding the transfer of U.S. troops stationed in the Panama Canal area.

The legislator feels that the most that can happen is that Palmerola Base can be given the technical facilities to help control, detect, and fight this illicit trade.

He noted, however, that any decision on the matter would be made following next week's meeting of the National Narcotics Council, chaired by President Carlos Roberto Reina.

Sosa Coello stated that for the first time in history the Attorney General's Office is working efficiently to combat this scourge. He specifically cited the actions by Deputy Attorney General Max Gil Santos, who has seized the drug traffickers' goods and will auction them off to finance counternarcotics activities.

Carlos Sosa Coello voiced his concern over the possibility that our country is being used to launder money generated by these illicit activities. He feels that in order to control or prevent this sort of thing, it is necessary "to reform the Commerce Code and the Law on Drug Trafficking to establish it as an offense and allow the Attorney General's Office to gather information on the state of bank accounts in the national financial system."

Labor, Human Rights Groups Object to U.S. Troops

PA0107190494 San Pedro Sula TIEMPO in Spanish 30 Jun 94 p 7

[Report by Vladimir Recinos]

[Text] Tegucigalpa—Given the possibility that the U.S. troops headquartered in Panama might move to the Palmerola military base, labor and peasant leaders and human rights organizations have expressed their opposition to this eventuality. They maintain that the "gringo" Marines have brought only diseases, violations, and threats to the Honduran people.

During U.S. Defense Secretary William Perry's visit, it was disclosed that the Americans were thinking about moving the Southern Command's troops, headquartered in Panama, to Honduras, because their stay in the Panama Canal Zone ends on 31 December 1999, as stipulated by the Panama Canal Treaties.

Francisco Guerrero, secretary general of the Confederation of Honduran Workers (CTH), said: "The government must not facilitate the arrival of the troops or

accept military suggestions from the United States; there must be a national debate on this issue in which all society's sectors must participate."

He added: "The arrival of this military personnel in the territory would be inconvenient, because they would influence the country's political affairs and because they have brought us problems like disease and threats to the population."

Meanwhile, Bertha Oliva, coordinator of the Committee of Relatives of Missing Prisoners in Honduras (COFADEH), pointed out: "Should this happen, it would be President Carlos Roberto Reina's mistake, because should we continue to lend our territory to U.S. troops, there would be an immediate reaction, and we would take to the streets in protest."

Oliva added: "No foreign military forces would benefit the country, even if served up on a silver platter. The truth is they would not help us in anything. So far they have only brought pain, disease, and loss of prestige to our country."

In the meantime, Rafael Alegria, secretary general of the National Federation of Rural Workers (CNTC), said: "This move would be impossible and harm national sovereignty. There should not be any foreign troops in the country; people will criticize them if there are."

Alegria also said: "This would be a bad move by President Reina now that we are close to demilitarization; their presence here is unjustified. They had better go somewhere else, because people now favor strengthening civilian over military authority."

Baudilio Andara, secretary general of the United Federation of Honduran Workers (FUTH), pointed out that the population must study this move, because their presence here has failed to benefit us so far. It has only brought us problems and diseases we did not have before. In addition, the Palmerola base alone uses a lot of electricity."

Bomb Explodes in Comayagua; 2 Killed, 8 Injured

PA0507023094 Panama City ACAN in Spanish 0151 GMT 5 Jul 94

[Text] Tegucigalpa, 4 Jul (ACAN-EFE)—Police and firemen spokesmen reported that a bomb exploded in Comayagua, in central Honduras, today and that at least two people were killed and eight injured.

The bomb exploded at approximately 2000 (0100 GMT) on the edge of the road linking Tegucigalpa to the central and northern regions of this Central American country. Comayagua is a city in the department of the same name and is located 80 km north of Tegucigalpa.

The Honduran Palmerola Air Base, where the U.S. Army has 1,200 soldiers who participate in civic campaigns and combat drug trafficking activities, is located five km south of Comayagua.

Haiti's Aristide To Participate in Conference

PA0207231494 Mexico City NOTIMEX in Spanish 1841 GMT 2 Jul 94

[Text] Managua, 2 Jul (NOTIMEX)—Jean-Bertrand Aristide, the constitutional president of Haiti who was overthrown by a military coup in September 1991, will participate in the Second Conference of New and Restored Democracies [II Conferencia de Democracias Nuevas o Restauradas] on 4 July.

The Nicaraguan Foreign Ministry reported in a brief communique that the Haitian president will arrive in Managua on 4 July and that he will deliver a speech at the forum, which will conclude on 7 July.

The Nicaraguan Foreign Ministry had abstained until today from announcing Aristide's attendance of the four-day meeting, which will be attended by representatives of 62 countries and special guests.

Some of the personalities who will participate in the meeting are Nobel Peace Prize winner Oscar Arias (former Costa Rican president), the Dalai Lama, and former Latin American presidents.

Concerning Haiti, Nicaragua's position is that all other alternatives should be used to force the coupist military to leave power before deciding on an intervention

Urges Restoring Democracy

PA0407234494 Panama City ACAN in Spanish 2135 GMT 4 Jul 94

[Text] Managua, 4 Jul (ACAN-EFE)—Jean-Bertrand Aristide, the Haitian constitutional president, said today in this capital the solution to the crisis of his country, which he described as "a house on fire," is not an invasion but, rather, the restoration of democracy.

He said: "We say no to an invasion and yes to the agreement signed on 3 June of last year at Governors Island." The military overthrew Aristide on 30 September 1991.

Aristide is in Nicaragua to participate in the Second International Conference on New and Restored Democracies, which President Violeta Chamorro opened today.

The Haitian priest, who governed his country for only seven months, said the Governors Island Agreement permits pressure on the coupists to make them leave, the arrival of a UN mission, and his return to the country.

Aristide added the Haitian people and the international community may push for reforms to the Haitian Armed Forces and the judicial branch.

Aristide said during a news conference his country is like "a house on fire," and this is why Haitians are fleeing from that Caribbean nation.

Aristide said that after the restoration of democracy, the now dispersed Haitians, as he described his fellow countrymen who are fleeing from their country, will return to their land "and stay."

"We are," Aristide said, "the poorest country on the continent as far as the economy goes, but we have great human wealth" and this, he said, will help "pull Haiti out of extreme poverty and allow it to live in poverty with dignity."

Aristide said he is very happy again to be in Nicaragua, a nation that is, in his opinion, a land of hopes because it is marching toward reconciliation, as it is happening in South Africa.

Rejects Military Intervention

PA0507044394 Mexico City NOTIMEX in Spanish 0239 GMT 5 Jul 94

[Text] Managua, 4 Jul (NOTIMEX)—Overthrown Haitian President Jean-Bertrand Aristide proposed here today a reconciliation in his country, without vengeance and impunity, in order to gain a peaceful transition.

Speaking at the first round of the Second International Conference on New and Restored Democracies, which opened in the Nicaraguan capital today, Aristide stressed his rejection of a military intervention to dislodge the coupist military from power.

"An invasion for us (the exiled Haitian Government) is no solution" to restoring the democracy stolen on 30 September 1991, the deposed president told the press after participating in the meeting.

He proposed instead a reconciliation without vengeance or impunity in order to achieve a peaceful transition "from abject poverty to poverty" in a country whose annual per capita income is less than $360.

In his speech before delegates from 51 countries and special guests, Aristide said should he return to the Presidency, he will encourage a policy based on "justice for all, everyone's participation, and openness in everything."

The Salesian priest said Haiti is living through "true genocide" and the extermination of social movements with the murder of 5,000 people during 33 months of de facto government led by Army chief General Raoul Cedras.

Likewise, he said that Parliament is held "hostage by the military" and that drug trafficking, which is controlled by the Army, moves 48 million tons [figure as received] of drugs a year, leaving $1.2 billion.

According to U.S. State Department sources quoted by U.S. newspapers, Washington is analyzing the possibility of invading Haiti to force the coupists to abandon power, a position that Aristide rejects.

In the conference that Nicaraguan President Violeta Chamorro opened today, Aristide said he trusted "the historic force of the Haitian people, and with the political resolve of the international community the coupists would have to leave soon."

He said if he returns to power he will develop a 10-point plan that contributes to the consolidation of democracy by professionalizing the Armed Forces, reforming the judicial branch, and stabilizing the economy, health, education, and the environment.

He would also revitalize the agricultural sector, renew communication and transportation systems, reform institutions, and encourage economic growth.

The judicial system in Haiti must be reformed to ensure an end to impunity, the deposed president said, adding the international community has promised $65 million for this process.

He announced $228 million have been pledged to stabilize the economy following a 14.98-percent drop in the GNP [gross national product] in 1993, while unemployment has reached 75 percent.

Government Supports Constitutional Reform

PA0207151094 Managua Radio Nicaragua Network in Spanish 1200 GMT 29 Jun 94

[Communique issued by the Nicaraguan Government in Managua; from the "This Morning" newscast; date not given]

[Text] The Nicaraguan Government, considering it of national interest, announces to the general public that the Government of the Republic and the Political Factions Council, which is made up of the FSLN [Sandinist National Liberation Front], the Center, the PDC [National Democratic Confidence Party], the PSD [Social Democratic Party], and the MUR [Movement of Revolutionary Unity] blocs, signed an agreement on 18 May 1994 whereby they expressed their wish that the Constitution be reformed this year to favor national stability, national development, and harmony among government branches.

In this same agreement, the faction leaders promised to promote, procure, and achieve consensus on the constitutional reforms with other government branches before they are even formally presented as an initiative at the National Assembly. The faction leaders and the government decided to form a joint commission with this express purpose. Complying with the agreement, the aforementioned joint commission has met systematically and harmoniously to reach an agreement, and more than 10 meetings have been held [words indistinct] today.

The Government of the Republic hereby publicly reiterates its wish to continue working with faction leaders [words indistinct] the necessary political consensus to

make viable constitutional reforms that do not look to further party interests but which will genuinely express the interests of the Nicaraguan people, who desire peace, stability, development, democracy, and national unity.

The government considers that such reforms must be prepared with the composure and responsibility befitting their importance. To further this objective, it is willing to invest the necessary time and effort and thus contribute to the preparation of a bill that will have effective national support so it can be formally presented to the National Assembly.

The experience gathered in joint commission meetings has been very positive, and the Government of the Republic trusts and hopes that both sides will reach a satisfactory agreement for the benefit of the Nicaraguan people, who deserve and need it.

Daniel Ortega Interviewed on Issues

PY0107170694 Montevideo BRECHA in Spanish 24 Jun 94 p 29

[Report on interview with Daniel Ortega, former Nicaraguan president and secretary general of the Sandinist National Liberation Front, FSLN, by Alberico Lecchini in Stockholm; date not given]

[Text] With confident steps and an attentive eye on the group of journalists waiting for him at the seat of Stockholm's International Press, Daniel Ortega, secretary general of the FSLN and former Nicaraguan president, installed himself, without any major formality, among the group of journalists and photographers. Without a major preamble, he began to relate why he had decided to make this lightning trip to Scandinavia.

He said: "We are concerned about the ever-increasing destabilization that is occurring in Nicaragua, where the economic and social situation is explosive despite the fact that the peace process has made a stumbling advance. We explained to Swedish Foreign Minister Margaretha af Ugglas and Ingvar Carlsson, the leader of the Social Democratic opposition, that Nicaragua will be able to overcome its problems only with international cooperation. Sweden and Denmark have closely followed our country's situation and we hope that this interest will continue."

The Sandinist leader placed a greater emphasis on the new type of violence that is affecting the society of the Central American country, where former recontras and the recompas [former sandinist peoples army soldiers] indiscriminately carry out assaults, kidnappings, and murders.

It is Ortega's opinion that none of these armed groups has any confidence in the government of President Violeta Chamorro. In a recent meeting with former contra commanders in the department of Matagalpa, this profound lack of confidence in the government was confirmed, he said. According to Ortega, the demands for land, agricultural equipment, and the resources to build housing are the most urgent sectors that must be attended to.

Nicaragua has the highest per capita foreign debts in the world. Ortega accuses the government of using between 60 and 80 percent of the national income to service the foreign debt, bowing to the international financial organizations without a protest.

Ortega deems that the vitriolic criticism of his political rivals within the FSLN—who accuse him of blocking the democratization process and the streamlining of this political organization—are not justified.

"Those who criticize me have refused to acknowledge the reality of both the FSLN and the country. They are simply bad losers. They participated in the democratic game in which all the rules were respected. We were, moreover, subjected to careful scrutiny by the mass media; now they demand democracy. We can call the FSLN congress a process open to public opinion," he said.

The conclusive endorsement he obtained at the FSLN congress that ended last 23 May, during which FSLN revolutionary goals were once again vindicated, has led Ortega to think he will win the 1996 elections. While not ruling out the risks of a split within the FSLN, he is of the opinion that this congress was instrumental in strengthening the party.

"Most of the Sandinists are in favor of a reorganization, but within the framework of the revolution. Our rivals preach a reorganization that is merely yielding to neoliberal policies and the proposals for the new international order that the United States put forth to the world," he underscored.

According to Ortega, the embargo on trade with Cuba should have been one of the central subjects of the Ibero-American summit of heads of state and government in Cartagena, Colombia. Latin American countries' stance on this issue has so far been characterized by double-talk—declarations often note their desire to present a united front vis-a-vis the powerful northern neighbor, but in practice bilateral relations ultimately prevail. Ortega says this should change, as he is convinced only a joint forceful request to the Clinton administration can end the blockade against the island.

"Cubans' human rights and the region's stability are at stake here because this situation gives rise to permanent tension in the area. If the blockade were to be lifted, a momentous detente would ensue, and this would in turn have an incalculable value for the region," contended Ortega.

At any rate, relations between the Sandinists and U.S. administrations have become more affable, especially with the incumbent U.S. President. Still, Ortega recalls that relations began to ease off during George Bush's administration.

"After the Reagan era, the United States recognized that it could not win the war in Nicaragua and accepted the electoral process that started in 1989 and culminated in February 1990 with the elections."

It goes without saying that Ortega's political enemies argue to the contrary. It was thanks to the contras (or the soldiers of freedom as Reagan liked to call them) that the Sandinists were obliged to start a democratic process. Ortega is nonetheless convinced that his interpretation is the correct one and recalls that even Bush, in previous contacts, proposed an agreement with the Sandinists rather than a confrontation with them. Without concealing his satisfaction, Ortega stresses that "the current Democratic administration is realistic, and through Alexander Watson, assistant secretary for inter-American affairs at the U.S. State Department, it has acknowledged the FSLN's legitimacy."

The latest public opinion polls show that the FSLN has not yet recovered from the previous electoral failure and that its support does not exceed 27 percent among intended voters. This is why it is not surprising that Ortega should underline the need for an alliance with other sectors of society in order to be able to rule the country with certain tranquillity in case he is successful at the polls.

Nearly whispering, but without concealing his enthusiasm, Ortega said that meetings have been held with the Higher Council of Private Enterprise (Cosep). According to Ortega, this is encouraging, since dialogue with businessmen had been interrupted for four years. The FSLN's tactic seems to be aimed at seeking an agreement with Nicaragua's economic and social groups so as to subsequently give a more definite profile to its government program. Nevertheless, Ortega remains silent on possible political alliances with other parties.

His brother Humberto Ortega, the commander of the Sandinist Army, has nevertheless stated that when he leaves his post he will not return to the FSLN and will instead devote himself to seeking a consensus with other political organizations to establish links and make possible a future majority government.

Daniel Ortega is cautious when giving his opinion of his brother's ideas:

"This is an independent, but complementary, project. We are working along those lines within the FSLN."

At any rate, it is very difficult to combine his revolutionary rhetoric with the search for the commitments that he wishes to obtain from the political and economic forces, whose views are totally different from those of the Sandinists.

Ortega is well aware of the difficulties his revolutionary tone poses, but he remembers the anecdote regarding the ambidextrous batter: "Baseball is one of the few good legacies that the Yankees left in Nicaragua. Now, you find left-handed and right-handed batters in this sport. We, the Sandinists, always bat with our left hand and then decide where we place the ball—whether at the center or on the left—as we go along."

The FSLN has had fraternal relations with the Socialist International since 1978, but always as observers. Ortega is of the view that it is important for the FSLN to maintain its own identity on a scene where all cats seem brown. A reporter asks him whether being a Sandinist is the same as being a Socialist or a Social Democrat. With a broad smile and an ill-concealed ironic tone, Ortega replies: "I am only a Sandinist...."

An example of his pragmatism is his great satisfaction over the election of Colombian President Cesar Gaviria as OAS secretary general. When he is reminded that Gaviria's administration fared quite poorly in the area of human rights, with thousands of people dead and persecuted—many who belonged to the revolutionary left itself and now are knocking at the doors of European countries to expose this violence—Ortega shrugs his shoulders. "Gaviria is a man who has opened spaces for dialogue in Latin America, between Cuba and the United States, for example. We need men like him to fill the post of secretary general. The other candidates were worse alternatives," he states without hesitation.

Consciously, or unconsciously, the way he dresses reveals his pragmatic attitude in the search for a consensus and the essence of his conduct and his radical political rhetoric. Ortega is dressed in a light blue velvet suit, a white shirt, and a dark tie, but he cannot conceal his black combat boots that appear under a table covered with tape recorders and microphones.

Indians Kidnap 4 U.S. Citizens on Atlantic Coast

PA0407182794 Panama City ACAN in Spanish 1647 GMT 4 Jul 94

[Text] Managua, 4 Jul (ACAN-EFE)—A police source today reported that six Indians of the former anti-Sandinist Yatama kidnapped four U.S. citizens who were fishing in Caribbean waters near Cape Gracias a Dios, on the northeastern tip of Nicaragua.

A police spokesman told journalists that the kidnappers are asking for $300,000 in exchange for the release of the U.S. citizens, who have been held hostage since Saturday.

The four were identified as Sioner Charles Ives, Timothy Tunes Orwy, Ray Brasler, and Arthur I. Brown. The source added that the men were supervising fishing aboard the vessels Bulls King No. 36, No. 45, No. 52, and No. 55 when they were boarded by the group of Indians, who were traveling in a speedboat.

The police have not provided further details of the incident due to the lack of communication with the area, which is very far from Puerto Cabezas, the main city on Nicaragua's northern Caribbean coast.

Yatama (mother earth in Miskito) groups Indians, mostly Miskitos, who live in Nicaragua's North Atlantic Coast Region (RAN). Yatama emerged in the 1980's as an armed group that fought the Sandinist regime in the Caribbean (they were Indian contras). After the demobilization of the contras, some remnants of the Indian groups remained armed and have committed kidnappings and murders and destroyed vehicles on the country's northern Caribbean coast.

Americans Said Kidnapped in Port

PA0407185294 Managua BARRICADA in Spanish 4 Jul 94 p 3

[Report by Noel Irias]

[Text] A military spokesman announced that six armed individuals headed by former Yatamas identified as Mullagy and Rossman [names as published] kidnapped the captains of four fishing vessels at approximately 1100 this past Saturday in Cape Gracias a Dios in the Northern Atlantic Autonomous Region.

The hostages are U.S. citizens Sioner Charles Louis, Timothy Dune Pwelley, Ray Bresler, and Arthur Brown [names as published]. Nicaraguan citizen Alpino Ellis was able to escape thanks to the assistance of Cape Gracias a Dios residents.

The fishing vessels under the command of the four kidnapping victims were identified by military spokesman as Gulf King Nos. 36, No. 44, No. 45, and No. 52. The vessels were not taken over since the captains were kidnapped on land.

According to information gathered by the authorities, the kidnappers are from the community of Santa Marta. Unofficially, it is believed that they are demanding a large ransom.

The Sandinist Navy (MGS) dispatched personnel and boats from Bilwi—Puerto Cabezas—to investigate the situation.

The MGS will also investigate why the aforementioned captains decided to disembark in the community when they were only authorized to dock in the ports.

Military Reports Kidnappings

PA0407183894 Managua Radio Sandino in Spanish 1200 GMT 4 Jul 94

[From the "Events" newscast]

[Text] Military sources have reported that armed persons kidnapped four U.S. citizens and one Nicaraguan from the town of Cape Gracias a Dios in the North Atlantic Autonomous Region last Saturday. The men are former members of the Miskito, Sumu, and Rama Indian and Creole groups organization known as Yatama and are led by individuals with the aliases Muyugi and Rosman.

According to statements given to authorities by the Nicaraguan, who escaped from his captors, the kidnappers are demanding between $200,000 and $300,000. U.S. citizens Sioner Charles, Timothy Dune Orwey, Ray Braxier, and Arthu. Ian Brown and Nicaraguan Alpino Ellis were out fishing aboard Gulf King company vessels Nos. 44, 36, 45, and 55. The kidnappers are reportedly from the town of Santa Marta, near Cape Gracias de Dios.

U.S. Embassy personnel in Nicaragua went to the North Atlantic region to investigate the kidnappers' whereabouts.

Ransom Demanded

PA0407182594 Managua EL NUEVO DIARIO in Spanish 4 July 94 pp 1, 8

[Text] Six former members of the Yatama group kidnapped four fishing boat captains at 1100 on Saturday, six miles south of Cape Gracias a Dios. An EPS [Sandinist People's Army] source reported to EL NUEVO DIARIO that the kidnappers are asking $300,000 in ransom.

According to the information obtained, the kidnapped are U.S. citizens Arthur Iam Brown, Ray Baxter, Sioner Charles Ives, and Timoty Dune Orwey. [names as published]

The four kidnapped persons were supervising fishing on the vessels Gulf King 44, 36, 52, 45, and 55 [as published] when six former Yatama, led by "Muyugi" and Rosman, boarded the vessels from a speedboat.

The crews were threatened with weapons but left unharmed. The captain of Gulf King 44 managed to escape from his captors.

The military source added that once the victims were aboard the speedboat, the kidnappers took off for Santa Marta community, from where they sent a message demanding $300,000 in ransom for the captains' release.

Deadline Set for Ransom

We also learned that the Navy sent a ship to the Cape Gracias a Dios area.

The kidnappers gave a 24-hour deadline for the money to be delivered, threatening to kill the four hostages if it was not met.

Naval Authorities on Alert

At the close of this edition, reports indicated that the situation remained the same. Given the remote location of the incident and the communication difficulties, it was not known whether the kidnappers had made new contacts.

The source noted that there was some indication that the kidnappers have extended the deadline. Meanwhile, the

Nicaraguan naval authorities were placed on a state of alert to respond to any possible outcome.

Profiles of Kidnappers

PA0507042794 Managua Radio Sandino in Spanish 0300 GMT 5 Jul 94

[Report by Carlos Gonzalez from the "Echo News" newscast]

[Text] A band of criminals consisting of eight individuals who [words indistinct] seven rifles, kidnapped four U.S. fishing boat captains while they engaged in personal activities in the community of Cape Gracias a Dios, northeast of Puerto Cabezas, announced Captain Duarte of the National Police. The ships were anchored 500 meters from the community when the captains decided to board a small boat with a two-horse power motor. The names of the U.S. captains are Timothy Dune, of Gulf King No. 36; Ray Bresler, of No. 45; Arthur Iban Brown, of No. 52; and Charles Lewis, of No. 54.

Nicaraguan Benjamin Aguirre, one of the crew members, managed to escape. Another Nicaraguan, Alpino Ellis, is being held with the U.S. captains.

The band of criminals is the same one that was operating along the Puerto Cabezas Highway, attacking people in the region. They assaulted a truck and later headed for Cape Gracias a Dios where they staged the kidnapping.

A last-minute report states the captain of the ship Gulf King No. 44 was released, because he suffers from asthma. He was released at 1400 this afternoon. The [words indistinct] Coast Guard of the Office of the Navy Captain not a military source.

The four boats are at port, and an order is being awaited to transfer them to [words indistinct] ranking military authorities, the regional government council, and [word indistinct] have agreed a commission of priests will serve as mediators.

The kidnappers' demands are not known. It was unofficially learned they are demanding a certain amount of dollars to release the kidnapped captains. Troops of the Army, the Office of the Port Captain, and the National Police are pursuing the band of criminals in an effort to neutralize them.

Panama

Endara Agrees To Accept Haitian Refugees

PA0407225094 Panama City ACAN in Spanish 2155 GMT 4 Jul 94

[Text] Panama City, 4 Jul (ACAN-EFE)—Journalist have reported that Panamanian President Guillermo Endara has agreed, at the request of the United States, to temporarily accept approximately 10,000 Haitian refugees.

The Panamanian president has said in a meeting with local press directors that he has agreed to accept the Haitians, a move which his government had previously rejected, following a personal request by U.S. President Bill Clinton.

Endara assured that the Haitians' stay in Panama will not last more than one year and that the United Nations will absorb the costs for maintenance and attention.

Legislators Reject Decision

PA0507034694 Panama City ACAN in Spanish 0145 GMT 5 Jul 94

[Text] Panama City, 4 Jul (ACAN-EFE)—Legislators from various political parties today rejected Panamanian President Guillermo Endara's decision to accept temporarily up to 10,000 Haitian refugees in the country.

At a meeting with local media directors today, Endara made the unexpected announcement that he had accepted the arrival of the Haitians following a personal request from U.S. President Bill Clinton on 2 July. The Endara government had opposed such an action up until now.

Endara, who also discussed the situation with Panamanian bishops, explained that the Haitian refugees would be sent to the island of San Jose, in the Pacific Ocean, 60 km from the coast. He explained that the Haitian refugees would remain on the island for no more than one year. The United Nations would pay for the expense, he added.

Legislator Gerardo Gonzalez, president of the opposition Democratic Revolutionary Party (PRD), told local television station Channel 2 it would be "inhumane" to bring 10,000 Haitians to live on San Jose Island, "which is inhabited only by wild animals."

Gonzalez said that one cannot solve problems of this type by "improvising," and that Panama has compromised its international image "because Endara is responding to a request from foreign governments without consulting the members of his administration."

Jose Domingo Torres, a Christian Democratic Party (PDC) legislator and president of the Legislative Assembly's Human Rights Committee, said he "agreed" one should not leave the Haitians without shelter, but "Panama is unable to accept them" because it also has economic and social problems.

He said France and other European and Latin American countries that are better off financially are the ones who should "redouble their efforts" to help the Haitians.

Legislator Alberto Cigarruista of the Authentic Liberal Party, which is in the ruling coalition, also described the humanitarian move as a "correct" move, but he said the country's economic situation "compels one to think twice about accepting such a move or running such a risk." Cigarruista said: "Panama is experiencing an

unemployment and economic crisis that does not allow it to become a haven for refugees."

Legislator Lucas Zarak, of the ruling Arnulfist Party (PA), said "if the rules are not clear and if these gentlemen (the Haitians) come to the city to compete with Panamanians, it would be a clear act of disloyalty to the people and poorer classes of Panama."

PRD Legislator Balbina Herrera said Endara might have "all the good will in the world by bringing in the Haitians, but that is a decision and a bilateral conflict between the United States and Haiti."

Herrera reminded Endara that he will be leaving power in a few months and that he "cannot leave problems of this type for the government (of President-elect Ernesto Perez Balladares, of the PRD) that will be inaugurated on 1 September."

Refugees To Be Located on Island

PA0407234794 Paris AFP in Spanish 2155 GMT 4 Jul 94

[Text] Panama City, 4 Jul (AFP)—Panamanian President Guillermo Endara announced that on Monday, Panama accepted approximately 10,000 Haitian refugees who will be located in a camp that will be installed on a Pacific island.

The president disclosed during a meeting with media directors that he made the decision to receive those fleeing from the Haitian crisis after speaking with U.S. President Bill Clinton via telephone the night of 3 July. The camp will be installed on uninhabited San Jose Island, located in the so-called Las Perlas Archipelago, in Panama's Pacific Ocean area.

Endara said the camp will be administered by the UN High Commissioner for refugees and will be patrolled by North American Blue Helmets. The Haitians can be received in Panama once the Panamanian Government signs, possibly on 6 July, an agreement regulating the refugees' stay, according to Endara.

The president said the Haitians will remain on the island for one year while their country's crisis is being resolved and "will not have any contact" with the Panamanian people.

He added a first group of Haitian refugees could be housed at Fort Sherman, a U.S. military base in Colon Province, approximately 70 km northwest of Panama City, while the camp is being installed.

The Panamanian president, who took power following the 20 December 1989 U.S. military intervention in Panama, said he "could understand" if a similar action took place to restore democracy in Haiti.

"I am not asking for military intervention (in Haiti), but I can understand," Endara said upon confirming 1 July that Panama will send a police corps to help maintain order and to protect government officials after the Haitian military eventually leave.

The United States is maintaining a strict embargo against the Caribbean island of Haiti to force the return of President Jean-Bertrand Aristide, overthrown by the military on 30 September 1991.

Meanwhile, Panama suspended commercial flights to Haiti at the end of June while the government evaluates the possibility of freezing funds the Haitian military may have in the banking center installed in this Central American nation.

Haitians To Arrive Soon

PA0507014994 Panama City Circuito RPC Television in Spanish 2300 GMT 4 Jul 94

[From the "RPC Television News" newscast]

[Text] The government has agreed to temporarily receive up to 10,000 Haitian citizens upon a U.S. request and in response to a personal call by U.S. President Bill Clinton.

At a meeting with newspaper and television directors in the Cabinet Sessions Room, Panamanian President Guillermo Endara announced that Panama will host Haitian refugees. President Endara has said Panama had granted a request from the United Nations and the United States to help stop the exodus of Haitian citizens.

It was explained that when the Haitians realize they will go to Panama and not to the United States, the number of refugees taking to the sea in search of a better life will drop.

Panama's agriculture development minister, Cesar Pereira, has characterized Panama's decision as international charity in reciprocity for the support the Panamanians received during the 1987 to 1989 crisis.

President Endara has said that the refugees, no more than 10,000, could come to Panama if it is accepted in writing that the number will not exceed that figure, that they will be organized by the United Nations outside national territory, that their sustenance and medical attention will not have to be paid for by Panama, and that the refugees will be repatriated in one year at the latest.

The UN appeal to Panama was backed by a telephone conversation of almost one hour between President Endara and U.S. President Bill Clinton, who committed himself to taking care of the expenditures involving the refugees and their repatriation in twelve months at the latest.

The Panamanian Government has decided to house the Haitians on San Jose Island, in the Las Perlas Archipelago, at a camp to be designed, operated, managed, and financed by the United Nations. The government will have to negotiate with the island's owners for the construction of such a refugee center.

The United States had proposed, and Panama rejected, the use of reverted or soon-to-be-reverted buildings in the canal area. Panama will authorize, however, the use

of a specific area in Fort Sherman, which is in the Atlantic region, as temporary lodging while the San Jose island camp is built.

Panamanian Foreign Minister Jose Raul Mulino has said that Panama will sign an agreement with the United Nations and the United States to formally establish the temporary presence of Haitians in Panama under UN responsibility.

The Panamanian foreign minister has said our country had to comply with the proposal as part of its dealings with the United Nations. We must give to be able to receive, the foreign minister has said.

During the meeting between Endara and media directors, it was announced that the first arrival of Haitians will take place in a matter of days. At the conclusion of the meeting, Tomas Gabriel Altamirano Duque, first vice president-elect, said that President-elect Ernesto Perez Balladares has been informed by telephone about the issue:

[Begin Altamirano Duque recording] This is a problem and decision of the current government, and the future government has nothing to do with this decision. Of course, the president-elect has been informed of the decision which the government has adopted. [end recording]

Meanwhile, President Guillermo Endara and Foreign Minister Mulino have avoided commenting on this issue to the media.

The executive branch will issue a communique giving additional details on Panama's decision to receive up to 10,000 Haitians who will be repatriated within one year.

President-Elect Comments

PA0507041494 Paris AFP in Spanish 0243 GMT 5 Jul 94

[Text] Panama City, 5 Jul (AFP)—On 4 July, Panamanian President-elect Ernesto Perez Balladares said the presence of 10,000 Haitian refugees, who will arrive in Panama in the coming days per the government's decision must be temporary and must occur on U.S. military bases along the canal.

In a statement sent from Hong Kong, where he is on vacation, Perez asked that the U.S. Government, which promoted the initiative, guarantee that the Haitian contingent will not remain for more than one year in this country and that "the it will be responsible for any harm caused to Panama or its residents as a result of the presence of the refugees in our territory."

President Guillermo Endara, who will hand over power to Perez Balladares on 1 September, announced on 4 July that he accepted a proposal by U.S. President Bill Clinton and the UN high commissioner for refugees (ACNUR) to accept 10,000 Haitians in a camp that will be subsidized and guarded by that organization and the U.S. Government.

The refugees, who could start arriving in Panama this coming weekend, will be temporarily lodged at the U.S. Army's Fort Sherman military base in Colon Province, approximately 70 km northeast of the capital, while a refugee camp is built on a Panamanian Pacific island.

Endara announced on 4 July that Michael Kozack, deputy secretary of state for Latin American affairs, a national security adviser of President Clinton, and two U.S. generals will arrive in the Panamanian capital to coordinate the details of the agreement with the ACNUR, but he did not mention the names of the two officers.

Perez asks in his note to the U.S. Government that the Haitian refugees be lodged at the dozen U.S. military bases along the banks of the canal, but with the coordination of the Panamanian Government and Justice Ministry.

He also asked the United States to guarantee the security and repatriation of the refugees once democracy is reestablished in Haiti, where the coupist regime of General Raoul Cedras is facing pressure from the international community to reinstate President Jean-Bertrand Aristide, who was overthrown in 1991.

President-Elect Issues Communique

PA0507050894 Panama City Telemetro Television Network in Spanish 0400 GMT 5 Jul 94

["Communique" issued by Panamanian President-elect Ernesto Perez Balladares on 4 July; read by Mario Velasquez, director of the National Information Directorate; from the "Telemetro Reports" newscast]

[Text] President Guillermo Endara has advised me by telephone of his decision to admit into our territory a significant number of Haitian refugees, who are fleeing in increasing numbers the critical political conditions existing in that brotherly Caribbean nation.

The next administration understands the noble necessities of the Haitian people and expresses its support for their efforts to achieve democracy and liberty. It also feels the international community's deep concern regarding the future of Haiti, which is manifested in the seat of the United Nations. The next administration also acknowledges the Panamanian people's profound and legitimate concern over the sudden immigration of thousands of Haitians to our patriotic territory, as has been requested by the United Nations with the guarantee of the United States.

The next administration recognizes the need to fully consider the Panamanians' interests and concerns and that it be agreed that the arrival of the Haitian contingent to our territory will be done in accordance with the following conditions:

1. That it be strictly temporary so that they will return to their country as soon as the current Haitian Government changes and a democratic solution emerges for the

people. Such a term should not exceed one year, beginning from the date of arrival of the contingent to Panama.

2. That they be lodged at military bases under the control of the U.S. Army, with the coordination of the Panamanian Government and the Justice Ministry.

3. That the U.S. Government guarantee both the overall maintenance of the Haitians as well as their security and return transportation to Haiti.

4. That the U.S. Government be responsible for any harm sustained by Panama or its residents resulting from the presence of the Haitian refugees in our territory.

[Signed) Ernesto Perez Balladares, president-elect of Panama.

UNHCR Assures Cooperation

PA0507045494 Panama City ACAN in Spanish 0408 GMT 5 Jul 94

[Excerpts] Panama City, 4 Jul (ACAN-EFE)—The Panamanian Government officially reported tonight, Monday, it will cooperate with the United Nations and will receive up to 10,000 Haitian refugees who have fled from that Caribbean island's de facto government.

In a news communique, the Presidency states the agreement to accept the Haitians will be signed between the Panamanian Foreign Ministry and the office of the UN High Commissioner for Refugees (UNHCR) in the coming days.

Panama's decision is in response to a request made by ACNUR Director Sadako Ogata that was formalized in a letter dated today in which she assures her organization's full cooperation with the authorities of the Central American country. [passage omitted]

A political source has told ACAN-EFE that Panamanian President-elect Ernesto Perez Balladares had announced his support for the measure after confirming that Endara had informed him of his decision shortly before making it public.

CDHSJP Opposes Sending Police to Haiti

PA0407165094 Panama City LA PRENSA in Spanish 4 Jul 94 p 5A

[Report by Manuel Alvarez Cedeno]

[Text] The Panamanian Center for Human Rights and Legal Aid (CDHSJP) has said that the administration of President Guillermo Endara would be committing a crime by sending 25 policemen to Haiti. The policemen are unfamiliar with the idiosyncrasies of the Haitian military and would therefore be at their mercy. Endara decided to send 25 policemen to Haiti as part of the UN multinational military force following a possible invasion to dislodge the military government of General Raoul Cedras.

CDHSJP President Otilia Tejeira said Panama has no reason to go to Haiti, especially as we have no personnel trained for such a situation. "We must remember that the police will become part of an occupation force following an invasion, which is in fact an act of war," she stressed. That would be an act of war. Tejeira asked: How can we participate in a military operation when we are trying to move away from militarism?

In Tejeira's opinion, "It would be criminal to send any Panamanian there. We do not speak French or Creole, so Panama's policemen would be unable to communicate with the island's population, which would put the policemen at their mercy."

She indicated that the United Nations ought to look for people who speak French in the former French colonies or in France itself to carry out the peacekeeping operation.

The CDHSJP president said that any Panamanian or other Latin American would become a "sure target," especially because UN troops must be in uniform, whereas the Haitian military would not. Having been disbanded by the invasion, they would be capable of destruction as commando units. "Endara's decision is a crime. Sending someone to die is a crime," she argued.

The Panamanian president made the decision after the United Nations asked Panama for assistance in training the Haitian Police following an invasion of the island to remove the Cedras regime.

Tejeira recalled that the Panamanian soldiers who served in the peacekeeping force in the Middle East suffered serious emotional problems upon returning to Panama, according to research carried out at the time. They even had to undergo psychiatric treatment in Panama, despite the fact that they were not in the Middle East war zone and only heard the bombings from a distance, she concluded.

Brazil

Visit by U.S. Commerce Secretary Examined

PY0407214094 Sao Paulo VEJA in Portuguese 29 Jun 94 pp 102-103

[Text] A U.S. task force will arrive at the Rio de Janeiro airport on Sunday. No, we are not in Haiti, nor is Brazil under threat of military invasion. The U.S. presidential plane will bring only men wearing ties, and armed with briefcases, calculators, and an unwavering eagerness to do business. Headed by Secretary of Commerce Ronald Brown, the team includes 22 U.S. entrepreneurial big shots, seven high-ranking government officials, and the governor of the state of Indiana. It is the most selective team of merchants the White House has ever sent to Brazil, in a tour that will also include Argentina and Chile.

On the day of its arrival, the team will travel to Sao Paulo, where the United States is installing an operational center for a broad strategy to conquer markets and make money—the two slogans of the new world order, in which European and Asian competition have put the United States in a state of permanent mobilization. On 4 July, Brown will dedicate the Commercial Center of the United States, an aluminum and glass compound in a stylish neighborhood in Sao Paulo. It is not just any old small office; it is the first office in a network that Washington intends to open up in 10 countries that have been designated as preferential for U.S. business.

Emerging Markets

The building, the task force, and the presidential plane are features of the new commercial strategy designed by President Bill Clinton. For decades, blocked by an ideological debate over the role of the state in the economy, the United States let its exporters manage by themselves. Clinton, who inherited a big foreign trade deficit and the burden of domestic unemployment, decided to foster exports. The reasoning is simple: Each billion dollars' worth of exports is equivalent to 20,000 jobs in the United States. The Department of Commerce, in the past one of Washington's sleepiest offices, has over the past few months became the hectic headquarters of the offensive for conquering markets.

Under Brown's command the U.S. Government has identified what it refers to as the 10 emerging markets, which are the countries on which it intends to concentrate its actions. Brazil is in the group, along with China, India, Indonesia, the ROK, Argentina, Mexico, Turkey, Poland, and South Africa. "This means we will provide assistance, arrange partnerships, and back the U.S. private sector's business with Brazil," Brown told VEJA reporter Flavia Sekles before departing Washington. The U.S. interest is visible. Last year 12 official U.S. missions visited Brazil, four times as many as in 1992. Brown estimates that in six years, U.S. trade with those 10 countries will be greater than current U.S. trade with Europe and Japan.

Secretary Brown has the appropriate profile for leading a commercial offensive. He is a Democratic Party big shot with apparent ambitions to head the State Department, and who easily got rid of a stain on his record—he worked for a lobbying firm that had Baby Doc Duvalier, Haiti's former hereditary dictator, as a client. He was accused of corruption after being named secretary, and was investigated by the FBI. He came out clean, with a police certificate of innocence and growing prestige.

Growing Interest

With 300 important visitors per day, Sao Paulo is the third most important destination for U.S. businessmen in the hemisphere, behind Canada and Mexico, two countries linked to the United States through NAFTA. Some of these Americans bring samples of products, or simply come to give technical assistance to clients, but many more come seeking permanent installations in Sao Paulo. The Goldman, Sachs & Company investment bank is opening an office in town; the J.C. Penney shopping network wants to sell in Brazil through the mail; and at the end of this year Wal-Mart, the largest network of U.S. shops for the middle class, will start operating in Brazil in association with American Shops. "Outside NAFTA entrepreneurs prefer South America, and Brazil in particular," says Richard Ades, director of the new Commercial Center.

American interest in Brazil is growing. Last year the Americans had $16 billion invested in the area, and bilateral trade was close to $14 billion, the most substantial exchange in history. With an economy similar in size to Russia's economy, but without the complicated transition to capitalism, Brazil has plenty of foreign investors willing to take the greatest problem of the country—economic instability aggravated by a 45 percent inflation rate—as the lesser of two evils. Their optimism is shored up by some figures, such as the 30 percent annual growth of the Brazilian franchise market, an area where the Americans invest most. U.S. exports to Brazil stagnated during the 1980's, but grew again by 10 percent last year and are expected to grow another 15 percent this year. The U.S. trade deficit ($1.9 billion in 1993) does not impress Washington. "Comparing it to the deficit with Japan, it is insignificant," the secretary of commerce says.

Filet Mignon

Two large Brazilian economic areas are still dominated by state companies—energy and communications. They are like a filet mignon, still out of reach for the United States. A U.S. consortium, with Raytheon, is one of the finalists in the bidding for mounting Sivan, the radar system for the Amazon region, whose estimated cost is $1 billion (the other finalist is Alcatel, of France, whose industry minister Gerard Longuet will cross the path of Brown and company in the Brazilian skies). But the Americans also have an eye on the area of informatics (Brazil consumes 300,000 computers per year, 50 percent of them foreign made), environmental technology,

finance, and tourism. In other words, these businessmen will do anything for money. They are even willing to bury the war axe and pretend not to have noticed that Brazil has not met the 15 July deadline agreed upon between the two countries for the approval of a law on intellectual property rights. In the past the U.S. Government applied sanctions against Brazilian exports to punish the local pharmaceutical industry's practice of pirating the formulas of foreign medicines.

Were it not because the draft bill is stranded in the Senate, the two countries could have closed the season of commercial frictions of past years. There are still some small disputes. The Americans complain about the exclusion of foreign companies from public biddings. Brazilians are annoyed by the surcharge applied on Brazilian products suspected of dumping. But this is nothing serious, as conflicts of this nature are part of the business.

Visit Ends, 'Confident' About Raytheon Bid

PY0207005294 Sao Paulo GAZETA MERCANTIL in Portuguese 29 Jun 94 p 5

[Article by Maria Helena Tachinardi from Brasilia]

[Text] U.S. Secretary of Commerce Ron Brown concluded his visit to Brazil yesterday evening, feeling confident that the U.S. consortium led by Raytheon has a good chance of becoming the successful bidder for supplying radars, environmental protection services, and telecommunications equipment for the Amazon Region Surveillance System, Sivam.

Brown announced that on 29 June Raytheon will submit to the Strategic Affairs Secretariat a bid that has been perfected over the last few days. According to Raytheon President Dennis Picard, the financing will be granted by the U.S. Eximbank and by the Swedes, as the Swedish company Ericsson is part of the U.S. consortium which also includes Westinghouse and Embraer [Brazilian Aeronautics Company] in their capacity as subcontractors for aircraft.

Strategic Affairs Secretary Mario Cesar Flores said this past week that he would announce at the end of the month that the two consortia—the U.S. consortium and a French one led by Thompson—are the successful bidders. The first stage of the project contemplates a $600 million budget for the supply of equipment, with $200 million for infrastructure and integration. The SAE intends to subsequently sign the contracts with the companies and submit them to Congress to have them passed by September at the latest.

During a meeting with Brown lasting over an hour, Finance Minister Rubens Ricupero told the U.S. commerce secretary that a successful bid would entail having to invest large sums of money, as Brazil will not be able to defray the costs of Sivam.

Ricupero considered that Brazilian exports to the United States no longer represent 25 percent of Brazilian export earnings, and that more advantageous conditions should be granted to Brazil's products, like steel and orange juice, so as to boost bilateral trade. Ricupero recalled that while Brazil is reducing its tariffs, and a 2 percent tariff is levied on the import of beer into Brazil (some years ago the United States complained that customs duties were too high), the United States levies a 60 percent import duty on orange juice, thus harming Brazilian exports. Ricupero asked Brown to intercede with Eximbank on behalf of Brazil so that it might be more flexible in the rescheduling of Varig's [Rio Grande do Sul Airline] $600 million debt.

According to Itamaraty Secretary General Roberto Abdenur, the you-scratch-my-back-and-I-scratch-yours approach has also led the Foreign Ministry to ask Brown that the United States give preference to Embraer in the tender for the supply of Tucano trainers for the U.S. Air Force. Northrop and Embraer are partners in this tender.

In his talks with Foreign Minister Celso Amorim, Brown discussed the Americas Summit to be held in Miami on 9-10 December. Brazil has proposed that the subject of democracy and its links to development be on the summit agenda. According to Brazil, democracy will only be consolidated with economic growth and development, and to achieve this greater credit to fund social investments and greater access to markets are needed.

New Economic Index 'IPC-R' Created

PY0107224194 Sao Paulo AGENCIA ESTADO in Portuguese 0103 GMT 30 Jun 94

[Report by Josimar Nastari]

[Text] Brasilia, 30 Jun (AE)—As of 1 July the main index for the Brazilian economy will be the Consumers Price Index-Real (IPC-R). This new index will be obligatory for all new nonfinancial contracts signed starting 1 July. These new contracts will be readjusted only once a year. The IPC-R will be obligatory for financial contracts based on a minimum readjustment period of one year. Contracts and financial applications to be readjusted in periods of less than one year must be indexed by the TR (Reference Interest Rate).

There are two exceptions to the application of the new IPC-R index: buyers clubs (old and new); commodity futures sales contracts; contracts in foreign currency (in the fields of foreign trade and remittance of money abroad); and contracts that are corrected based on parametric formulas (civil construction, supply of goods, or specific and continuous services).

Another official economic indicator that will continue to be used is the Reference Fiscal Unit, Ufir, which is based on the Special Expanded Consumers Price Index, IPCA-E. The other indexes will continue to be applied, but only for contracts signed before 1 July 1994 and which will be

converted into reals as of 1 July. This includes the General Market Price Index, IGPM.

Persio Arida, president of the National Bank for Economic and Social Development, BNDES, said that the new method for the indexation of the Brazilian economy will be more rational and streamlined. "We will stop living with a long list of private and public indexes which sometimes create confusion, and which always fuel inflationary expectations," he said.

Gustavo Franco, international affairs director of the Central Bank, said that the norms specified by Article 38 of Law No. 8880 which created the real establish that there will be no inflation carryover in the calculation of the IPC-R or in any other index. This article establishes rules that will not allow that the price increases registered in the last few days of June be included in the July inflation indexes. "The July indexes will reflect a new reality with very low or nearly nonexistent inflation," Franco said.

Financial and nonfinancial contracts with a preestablished earning rate, with or without a monetary correction clause, expressed in real cruzeiros, and which have not yet been converted to reals, will be converted on 1 July based on the fixed parity between the real and the URV, whose last value is 2,750 real cruzeiros. The financial or nonfinancial contracts whose earnings are known on their date of redemption will be converted into reals after being corrected by the specific indexes mentioned in them.

If necessary, a "pro rata" correction will be applied. This rule will be applied only to those contracts whose readjustment periods are equal or less than the number of payments to be made (like public bonds). Those contracts providing for a larger number of readjustment periods than payment periods will be converted by the average index variation under the terms foreseen in the contracts. Residential rent contracts are included in this category.

'Mini-Valorization' of Real Restricts Dollar Inflow

PY0107234194 Sao Paulo AGENCIA ESTADO in Portuguese 0133 GMT 30 Jun 94

[Text] Sao Paulo, 30 Jun (AE)—The Central Bank (BC) announced that by the end of this afternoon it had purchased through auction dollars at a price 7.54 percent below the selling quotation. It paid 0.93 reals (equivalent to 2,557 real cruzeiros) for each dollar, and sold $1 for 1 real (equivalent to 2,750 real cruzeiros). This represents a band of 7.54 percent which will serve to restrict the inflow of dollars into Brazil, which represents a great risk for the stability of the monetary base of the Real Plan.

"The government has made a fantastic mini-valorization of the real right at the beginning, because whoever comes into Brazil with dollars will receive 7.54 percent less in reals," says Nathan Blanche, president of the National Gold Association (Anoro). "The market will operate in the middle of this 7.54 percent band," he added. Practical life will change: Those who have debts in dollars and importers gain, while creditors and exporters will lose.

This difference was at 5 percent yesterday, and an increase in this difference to 7.54 percent has surprised everyone. "It has restricted the inflow of foreign capital into the country, and has reduced our profit margin," said Jose Carlos Oliveira, president of the National Association of Open Market Institutions (Andima). As the high interest rates adopted in the first stage of the Real Plan would have attracted a massive inflow of dollars, people feared the government would not be able to restrict this flow. They were, therefore, very much concerned about the success of the plan.

With this measure, the government has practically closed the doors on the inflow of dollars that would have taken advantage of the difference between the internal and external interest rates, which would have yielded a good profit. Most of the $35 billion in reserves in the BC resulted from these activities. "This measure indicates that the BC will open next week with a 7 percent interest rate, more or less," Blanche said. There was fear in the market that the BC would charge taxes on the inflow of foreign capital in the country. "The government created a penalty, a 7.54 percent implicit interest tax, on whatever money enters the country," said Paulo Mallman, financial director of the Mercantile Credit Bank.

Ricupero on New Currency Implementation

PY0207033594 Sao Paulo O ESTADO DE SAO PAULO [Extra] in Portuguese 1 Jul 94 p X2

[Article by Beatriz Abreu and Odail Figueiredo]

[Text] Brasilia—Finance Minister Rubens Ricupero yesterday committed his word and his personal credibility, and bet that with the implementation of the real "inflation will drop" in July. "The credibility of the new currency is the government's credibility, and I give my word as minister that the currency will be controlled," Ricupero said. He said that companies that try to speculate with prices run the risk of going bankrupt, because the government "will be strict" in controlling the money supply. "High prices will not remain so because the supply of money will not support consumer purchases, and those who charge abusive prices will go bankrupt," he warned.

"It is not a matter of calling the police to control prices, but of a severe monetary policy," he said. According to the minister, the enterprises will not have the possibility of speculating with their stock of products because in the initial stage of the plan the Central Bank will maintain interest rates at a high level. "The interest rates will be prudent, and there will be no stock for speculation because the monetary conditions for that will not exist," he insisted.

Ricupero promised that in the second stage of the plan the interest rates will drop. "The financial merry-go-round will not continue. Interest rates will drop together with inflation."

Here are the main topics discussed during the interview:

The new official inflation index, the IPC-R [Consumer Price Index-Real] has been created. The new contracts will be indexed to the IPC-R, and their readjustment will be annual. The old contracts will continue using the same indexes, but they will be updated annually.

President Itamar Franco gave up the idea of including the article on the independence of the Central Bank in the Provisional Measure that created the real.

Ricupero criticized the Sole Workers Center [CUT] decision to begin a campaign against the plan. He said: "My cousin and my uncle Inacio Jovine were labor union presidents, and their unions were more revolutionary that the CUT. They were more revolutionary than the Workers Party." "I would even get on top of a truck and remain at the factory gates to defend the plan," he said.

Prices will remain stable. The minister admitted that the government still does not have all the required conditions for ensuring a balance in the government accounts. "The minimum conditions for this year have already been ensured." The government has established through law the limits to issuance of the real.

Exchange equivalence will remain stable for an undetermined period of time. Central Bank President Pedro Malan denied that the plan had "electoral objectives" or sought to elect former Minister Fernando Henrique Cardoso.

The government has established the Fund for the Service of the Federal Debt.

Navy Minister Presides at Troop Departure to Mozambique

PY0407205894 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 4 Jul 94

[Report by Dorotea Bastos]

[Text] Three Navy ships will be used to transport to Africa the Brazilians who will participate in the UN peacekeeping force in Mozambique. Navy Minister Ivan da Silveira Serpa presided over the ceremony on 3 July to see off the Rio de Janeiro Navy Base task force comprised of the floating dock ship "Ceara," frigate "Defensora," and tanker "Gaston Mota." These ships will take part of the Brazilian contigent to Mozambique.

At the request of the United Nations, President Franco signed the order for deployment of Brazilian troops on 13 June. The contingent will replace Italian troops who are returning home after finishing their service in the peacekeeping operation.

The three ships, which are heading for Beira Port, in the center of Mozambique, are carrying 53 Army men and nearly 45 vehicles, including cars and trailers. The remaining members of the 170-man contingent will fly to Mozambique on 11 and 22 July.

Colombia

Constitutional Court Abolishes State of Disturbance Decrees

PA0107191994 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1732 GMT 1 Jul 94

[From the "National Newscast"]

[Text] The Constitutional Court has just abolished the decree whereby the national government declared a state of internal disturbance to prevent the release of at least 840 inmates from Colombian jails.

The high court voted 6 to 3 after considering two opinions: The first stated that the Constitutional Court can examine all state of emergency decrees issued by the executive branch. The second stated that, as in this case, the national government failed to adhere to the guidelines established in the Constitution for the declaration of a state of internal disturbance.

Moreover, Congress can at any time initiate an investigation of President Cesar Gaviria Trujillo and his entire cabinet for failing to follow the guidelines established in the Colombian political Constitution for the declaration of a state of internal disturbance.

One month ago Attorney General Carlos Gustavo Arrieta Padilla asked the Constitutional Court to abolish the decree. He said it violated every inmate's right to defense and due process.

Constitutional Court President Jorge Arango Mejia will hold a news conference at about 1700 today to officially announce the decision.

Clandestine Group Claims Responsibility for Murder of Soccer Player

PA0207221194 Hamburg DPA in Spanish 2017 GMT 2 Jun 94

[Text] Santa Fe de Bogota, 2 Jul (DPA)—A clandestine group calling itself "Death to the Cali Cartel" claimed responsibility today for the murder of soccer player Andres Escobar, which took place in the northeastern Colombian city of Medellin.

An anonymous caller contacted several news organizations claiming responsibility for the murder and said it is all part of an "operation of execution" against the Cali cocaine cartel, "which became involved in soccer with the authorities' compliance."

The caller "urged" the coaching staff of the Colombian national team, headed by coaches Francisco Maturana and Hernan Dario Gomez, "to leave the country or there would be other murders."

The menacing voice said that another soccer player, Gabriel Gomez (brother of Hernan Dario), would also have to leave the country along with his family so as to avoid additional reprisals. In addition, the caller also mentioned Juan Jose Bellini, president of the Colombian Soccer Federation, whom he said "should resign immediately."

The anonymous caller added Maturana and his closest assistants "are in a predicament, because they have accepted Cali cartel support," and he said they murdered Escobar because "he was the most pampered" by the coach.

This group first appeared through a call to QAP television news in which they threatened soccer players, public officials, and other individuals who, according to them, "are involved with the Cali cartel."

Police reports have attributed the murder to possible members of a gambling group who could have lost large sums of money resulting from the Colombian soccer team's loss during the World Cup, which is being held in the United States.

The NTC television newscast has even reported the authorities had organized a large-scale operation against the Medellin gambling operations in search of the criminals.

It would seem the official version has been discarded for now. According to the official version, the murder had been carried out by several intoxicated individuals who were insulting Escobar due to the self-caused goal [autogol] he made during the game against the United States, in which Colombia lost two to one and was eliminated.

"The crime was premeditated," a police spokesman has said. At the same time, Police Director General Octavio Vargas has said "there are many clues to solve this case" which has shocked the entire country.

Vargas has announced a 50 million pesos (approximately $62,000) reward for any person who provides concrete information that could lead to the arrest of those responsible.

Two men who allegedly participated in the crime were arrested in Medellin, while intelligence organizations are frantically searching for a third suspect believed to be the killer.

Judge Gives Norte del Valle Cartel Member 4 Years

PA0407004594 Santa Fe de Bogota EL TIEMPO in Spanish 29 Jun 94 Section A p 13

[Text] A Cali regional judge has sentenced Hernan Angel Wagner, the third most important leader in the Norte del Valle Cartel, to four years in prison for drug trafficking, collusion, and illegal profiting. The Attorney General's Office immediately appealed the sentence on the grounds that this sentence is too light.

Sources of the Attorney General's Office have told EL TIEMPO they disagree with the sentence, because drug trafficking alone is punishable by at least four years according to the Criminal Code. According to several sources consulted by this newspaper, Wagner's sentence should have been stiffer, because he was also accused of other crimes.

Wagner turned himself in on 22 December 1992 and requested a quick sentence. Because of this, one-third of his sentence was discounted.

Wagner, 40, is also known as Bomba and Soltero. According to U.S. autorities, Wagner is also being investigated in the United States on drug trafficking and distribution charges.

Wagner owns valuable real estate and several businesses in Valle del Cauca, including the Hernando Wagner Limited Partnership.

The faceless judge has ruled that Wagner succeeded in exporting a large quantity of cocaine to the U.S. market and that, as a result, Wagner obtained illegal profits.

The National Court must now decide whether to confirm the Cali judge's sentence or repeal it, per the attorney general's request. Wagner's sentence has not been the only one that has sparked controversy over the Norte del Valle drug traffickers. The head of the organization, Ivan Urdinola Grajales, has been sentenced to four years and five months for drug trafficking, illegal profiting, receiving illegal money, and collusion. Urdinola was almost released one and one-half months ago, but as the result of a quick action by the Attorney General's Office and the Prosecutor General's Office, which filed an appeal, a faceless judge revoked the sentence that would have released him. The Attorney General's Office argued that a regional judge had no authority to release Urdinola and that a sentence enforcement judge had to make this decision.

Three weeks ago the judge appointed to handle the case turned down an appeal for release that had been filed by Urdinola's counsel for the defense. Only a few months remain before Urdinola completes his full sentence, however.

Future Justice Minister Discusses Surrender Policy

PA0407154494 Santa Fe de Bogota EL TIEMPO in Spanish 29 Jun 94 p 9A

[Telephone interview with Nestor Humberto Martinez Neira, justice minister-designate, in Washington, D.C. by unidentified reporter; date not given; first three paragraphs are EL TIEMPO introduction]

[Text] In an interview granted to EL TIEMPO from Washington, D.C., incoming Justice Minister Nestor Humberto Martinez Neira announced that the Ernesto Samper administration is proposing a thorough evaluation of the surrender policy in order to adjust it, correct its shortcomings, and consolidate it as a front against crime in the next four years.

"This strategy has been subject to a public evaluation and appraisal in Colombia, but I believe it is important now to review the policy's results to determine what type of changes and adjustments it needs," Martinez said from his office at the Inter-American Development Bank.

During the telephone interview, the incoming justice minister said he will personally direct the process to approve the Statutory Law on the Administration of Justice [Ley Estatutoria de la Administracion de Justicia] in Congress, a law that will become the "navigation chart" for higher courts and even for the High Council of the Judiciary.

[EL TIEMPO] What is your opinion on the current situation of Colombian justice?

[Martinez] Colombia has taken a very important step. No one can achieve sustainable development unless justice is made a priority in the constitutional framework. The country made that effort when the Constitution was amended and established the foundations for its modernization. That process is just starting to take root. The Prosecutor General's Office, the Constitutional Court, and such appeals as the petitions for protection, which introduced new judicial alternatives into the country, have begun to work. I also think it is necessary to consolidate the autonomy and independence of the judicial branch by creating a high council of the judiciary. We are in a transitional stage that must still be completed.

[EL TIEMPO] What are your priorities?

[Martinez] We will promote and endorse approval of the Statutory Law on the Administration of Justice to create the new institutional framework that the judicial sector needs, as stipulated by the 1991 Constitution. We will work for modernization of the law to see that it becomes a catalyst for development; we will also draft a system that will grant common citizens real access to justice. Furthermore, we will strengthen the surrender policy and its mechanisms in the fight against crime.

[EL TIEMPO] How far will the new government get with the surrender policy? Is it time to reform it?

[Martinez] The surrender policy is a basic element of judicial policies. This strategy has been subject to a public evaluation and appraisal in Colombia, but I believe it is important now to review the policy's results to determine what type of changes and adjustments it needs.

[EL TIEMPO] What types of adjustments and reforms will you make to the surrender policy?

[Martinez] This policy has yielded good results, but I have noted a number of details necessary for its implementation. This issue will have to be one of the most important in the Samper administration. That is why it must be analyzed with the attention it deserves.

[EL TIEMPO] The new government is aware that the surrender policy must be modified. Some analysts think there are too many benefits and very few results.

[Martinez] We will study this issue. It is a fundamental task of the judicial branch. We must study the results of the surrender policy, and the government will not hesitate to do whatever is in its power to adjust it. I am aware that there are many opportunities to amend it, but I must wait until I know the details of how this policy has evolved.

[EL TIEMPO] Are you in favor of modifying the confession and sentence-reduction system that has been implemented based on the surrender policy?

[Martinez] Those are two important matters, but I prefer to analyze the details carefully. I do not want to express an opinion right now. These matters must be handled with good judgment and responsibility to choose the appropriate course of action. I want to review the situation with the current government to carefully analyze the details of the strategy that will be pursued.

[EL TIEMPO] The Prosecutor General's Office has asked that controls be imposed on it. Do you share the opinion that this office must be more closely regulated?

[Martinez] The Prosecutor General's Office is relatively new. We are developing an accusatory criminal system [sistema penal acusatorio] and we have to see what reforms it requires. The government will support the efforts of the Prosecutor General's Office. After all, this is one of the great institutions we must strengthen. We will be ready to cooperate.

[EL TIEMPO] What will your strategy be to face the deficiencies in the country's penitentiary system?

[Martinez] This is an issue of serious concern. I plan to work very closely with the current government to determine the real situation in the prisons. I favor implementing a policy of respect for the rights of the people who have been deprived of their freedom to establish real and effective conditions for social reform.

[EL TIEMPO] There have been good intentions to implement programs such as the justices of the peace and the Indian jurisdiction, but so far there has been nothing concrete.

[Martinez] I think this is another key element of the judicial policy. The demand for justice in the country is overwhelming in the face of a limited offer. One essential task will be to work for alternate systems of resolving conflicts.

[EL TIEMPO] What is your opinion of the bill for a Statutory Law on the Administration of Justice?

[Martinez] I know the bill. I plan to examine this initiative with other government branches to make it the most important tool for the implementation of justice. During the next legislature I will closely follow its passage through and approval by Congress.

We must analyze this law carefully. I trust that it will be promulgated soon. I am going to face that challenge.

[EL TIEMPO] Drug trafficking and terrorism have killed thousands in this country. As justice minister, what will you do to improve this situation?

[Martinez] Criminal activity in general has tarnished the country's image, but courage and moral values have prevailed in facing criminal bands. That is the case of the judicial branch.

The government must continue handling these issues with absolute morality and the temperance required to safeguard peace and peaceful coexistence among Colombians.

Government Minister-Designate Interviewed on New Government

PA0407001194 Santa Fe de Bogota EL TIEMPO in Spanish 29 Jun 94 p 7A

[Interview with Horacio Serpa, government minister-designate, by Jorge Gonzalez; date and place not given; first paragraph is EL TIEMPO introduction]

[Text] Horacio Serpa refuses to believe in governments that exclude parties. Now that he is close to becoming the new government minister, he has said he is a staunch ally of those systems of democratic participation that deter sectarianism.

[Gonzalez] Former presidential candidate Andres Pastrana has said he will not collaborate with the new government. Could this mean we will again have a ruling party/opposition party type of government?

[Serpa] I have been talking to several Conservative Party leaders, some of whom are congressmen, and I have told them it is important that they join the government. This government will not be a partisan government but, rather, a government for all Colombians.

Concerning the type of government you just mentioned, certain people are, undoubtedly, criticizing and objecting to it, and this is a good sign. This is not what the new government wants, however. The government is broad and open, because Dr. Ernesto Samper won the Presidency not only with Liberal Party support but also with the support of the Alliance for Colombia. There are many other Colombians who want to participate, and the doors are open.

[Gonzalez] The new government will find itself supported by a Liberal Congress that is, perhaps, willing to exercise its majority vote. Is this good for democracy?

[Serpa] No. Congress must be, essentially, critical and cannot waste the opportunity to exert political control, as granted by the Constitution. The fact that there is a friendly Liberal majority does not mean it is a submissive majority. In addition, the new government refuses to work with Liberals only. In fact, it will require the support of the other forces and will find openings for them.

[Gonzalez] The Government Ministry will be called the Interior Ministry. What does this change of name mean?

[Serpa] We will try to get the ministry closer to the provinces, to have more contacts with the regions and communities, and to promote a process of decentralization. We are also attempting to adapt Colombia to the new constitutional guidelines on regional autonomy and the people's participation. We are already drafting a proposal to submit to Congress.

[Gonzalez] The country knows you are an individual concerned with finding solutions to violence. Now that you have this opportunity, how would you adjust the peace process that the Gaviria administration has been promoting?

[Serpa] The ministry will always have something to do with public order and coexistence, but let's recall that Dr. Samper has proposed to Colombians the appointment of a high peace commissioner. The commissioner will be a high-ranking official who will have not only direct communication with the president but also an extensive decisionmaking capability. The commissioner will also work closely, of course, with the government minister.

I have participated in the peace process promoted by Gaviria since the establishment of the Public Order Commission. We were ther holding the Caracas talks with the Coordinating Guerrilla Board. I later headed the conversations, and then the Tlaxcala incident came and we were led to failure, a fact which I never hid from the country. The government continued, however, to strive to ensure the up-in-arms would join the democratic process.

We must now consolidate the achievements: an agreement signed with the Socialist Renewal Current, an agreement which I started; a satisfactory conclusion to

the processes held with the Popular Liberation Army [EPL], the Quintin Lame Commando Unit, and the Revolutionary Workers Party; and, more recently, an important agreement reached to demobilize the Medellin militias. Moreover, we are about to successfully reach a peace agreement with what is left of the EPL.

A big challenge is now heading our way, and we will try to face it, should both parties have the opportunity and resolve. President-elect Samper will be a great interlocutor for those interested in reaching peace, which is an attainable goal. Although I am one of those who still recognized that the up-in-arms are a political element, insisting on taking up arms at this time is political nonsense. I definitely still believe political negotiations are the prelude to coexistence and reconciliation.

[Gonzalez] The president-elect and the vice president-elect have insisted on giving a new resonance to the process of constitutional development. What is your priority in this mission?

[Serpa] I have lived through the constitutional process since before the Constituent Assembly was summoned, and I also participated in preliminary talks as government minister. I was later assembly co-president and was keenly aware of the suggestions made by Samper, who also lived through the process as development minister. I also worked closely with Humberto de la Calle, with other Liberal and Conservative members, and with the new social forces that made themselves visible during the most important political event of the century.

There is a new Constitution now, but it is already falling behind; it requires some legislative reforms. Those reforms that have already been enacted must be enforced. The People's Participation Law is one of them. Giving a new opportunity to politics with the people's participation is essential for reaching peace.

Ecuador

President Lifts National State of Emergency

PA0107211794 Madrid EFE in Spanish 1923 GMT 1 Jul 94

[Text] Quito, 1 Jul (EFE)—Ecuadoran President Sixto Duran-Ballen today lifted the national state of emergency, which had been in effect for 20 days, after the Confederation of Indian Nationalities of Ecuador (CONAIE) and the government agreed to begin talks to reform the Land Development Law.

The national state of emergency was ordered on 21 June, following violent protests, demonstrations, and road blocks carried out by CONAIE militants who were demanding the repeal of the law and rejecting an initial government proposal to create a joint reform commission.

Duran-Ballen and CONAIE leaders decided on the evening of 30 June to create a commission comprised of one government representative, one congressional representative, two Catholic Church representatives, two representatives from the Chamber of Agriculture, six representatives from the Indian organizations, and one representative from the Cattle Breeders Association.

The commission will examine several changes to the Land Development Law, which the Indians deem as "illegal." According to the Indians, the law compounds the current problems regarding farm land and affects the community property system, because it prohibits the sale of productive land, does not guarantee food rights, and allows the privatization of natural water supplies.

The Indians make up more than half of the 11 million Ecuadorans, although all are not CONAIE members. They paralyzed the country's main highways for 10 days, resulting in increased prices and produce shortages.

Four Indians died in incidents in several Andean Mountain towns.

The United Workers Front (FUT), which groups Ecuador's most important workers unions, backed the demands and threatened the government with a general strike to demand the repeal of the land law. The strike did not go into effect due to the state of emergency, which was in effect up until today.

TSE Postpones Plebiscite 'At Least Until September'

PA0207142994 Paris AFP in Spanish 0107 GMT 2 Jul 94

[Text] Quito, 2 Jul (AFP)—Camilo Ponce, president of the Supreme Electoral Tribunal [TSE], announced on Friday that the plebiscite summoned by President Sixto Duran-Ballen has been postponed at least until September. The plebiscite, which has created an unprecedented political and legal controversy, was scheduled for 7 August, but the TSE decided to omit the first of seven questions presented by Duran-Ballen. The question concerned the possibility of a constituent assembly to draft a new constitution.

The current Constitution does not provide for constituent assemblies, and such a body would void all the work done by the deputies elected on 1 May. The TSE has therefore rejected the question and is waiting for Congress to give its interpretation of the Constitution.

Duran-Ballen had proposed a referendum to coincide with the 1 May election, but the TSE rejected that move as illegal. This triggered legal proceedings against TSE members, which dwindled to no more than a threat. The TSE and the government reached an agreement on the issue, but the president suddenly changed several of the original questions and included the constituent assembly proposal.

Now there are new threats of legal action, but a peaceful arrangement is in the works. Government Minister Marcelo Santos and Presidency Minister Carlos Larreategui met behind closed doors with TSE members on Thursday evening. According to Ponce, the meeting

produced no agreements. The officials did, however, decide to form a commission to study the matter. Government Minister Santos and Presidency Minister Larreategui will represent the government, while TSE President Ponce and Vice President Medardo Oleas will represent the electoral authority.

Chief Justice Francisco Acosta of the Supreme Court and Congress President Samuel Belletini have expressed their approval of a proposal made by the influential EL COMERCIO newspaper. The daily suggested forming a commission of renowned jurists to draft constitutional reforms or even a new constitution. According to EL COMERCIO, the commission's work would then be accepted by the president and passed on to Congress and a general plebiscite, as stated by the current Constitution. The government has not yet accepted EL COMERCIO's proposal.

Government, TSE Agree To Hold Plebiscite 28 Aug

PA0407034194 Paris AFP in Spanish 0130 GMT 4 Jul 94

[Text] Quito, 3 Jul (AFP)—Carlos Larreategui, minister secretary general of public administration, announced today the government and members of the Supreme Electoral Tribunal [TSE] have agreed to hold a plebiscite—which has sparked controversy—on 28 August. In the meantime, the minister said, the executive branch will draft a reforms bill to the Constitution.

President Sixto Duran-Ballen had proposed a plebiscite for 7 August and had drafted a questionnaire, but the TSE vetoed the first of the seven questions which appeared on that draft and which proposed a possible constitutional assembly that would draft a new Constitution.

It was suggested during the closed-door meeting to reach an agreement, held this weekend at Government House, that the first question be changed to one which discards the constitutional assembly idea.

The other questions address deputies' budget-handling responsibilities, reelections to all public posts, and dual nationality.

A commission composed of the chief of state and delegates from various sectors must draft a bill on reforms to the Constitution within 100 days, and the chief of state will present it to parliament. In case the bill is rejected, a new plebiscite would be called.

The second and final plebiscite would include only one question: approval of the reforms proposed by the commission.

The TSE vetoed the first question, arguing the government did not comply with procedures for reforming the Constitution through a plebiscite; that is, the plebiscite on constitutional reforms is valid when Congress rejects such reforms.

EL COMERCIO, an influential daily, proposed three weeks ago the mechanism which the president has now adopted; that is, the creation of a high-level commission for the drafting of either a new Constitution or reforms to the current one.

The Quito daily's initiative was backed by prominent people and political leaders, including Congress President Samuel Belletini and Francisco Acosta, president of the Supreme Court of Justice.

Defense Minister: Red Sun Group Not Completely Dismantled

PA0507021894 Hamburg DPA in Spanish 2030 GMT 1 Jul 94

[Text] Quito, 1 Jul (DPA)—Ecuadoran Defense Minister Jose Gallardo admitted today the Maoist Red Sun guerrilla group "has not been completely dismantled" although it publicly surrendered and laid down its weapons on 3 June.

"There is a remaining element," said the retired general, considered the right arm of President Sixto Duran-Ballen, as he appeared before Congress to report on the state of the guerrilla group.

Gallardo added, however, the "dissidents no longer pose a real threat."

Red Sun, which is also known by its Quechua name as "Puca Inti," made its public appearance in 1992 by executing a number of explosive attacks that caused damage but no casualties. It was, however, according to its leaders, established five years earlier in the prisons by former militants of the "Alfaro Lives Dammit" group.

Following a dynamite attack on a power pylon that affected the water supply in Quito on 24 May, the soldiers captured the leaders of the group, and after a swift negotiation the Army announced the surrender of Red Sun in exchange for a general pardon.

Days later, other group members, through anonymous communiques, rejected the surrender, which they described as a "surrender," and threatened to carry out "new operations," which have not materialized so far. The defense minister added "a few remain, and they are unarmed."

The only subversive experience in Ecuador involved the "Alfaro Lives Dammit" nationalist leftist group, which operated from 1983 to 1987, when it signed a capitulation agreement after its leaders died or were imprisoned.

Venezuela

President Caldera Postpones Address to Nation

PA0107165594 Caracas Union Radio Network in Spanish 1604 GMT 1 Jul 94

[From "Union Radio News" newscast]

[Excerpt] [Announcer] We have been awaiting an official government statement to learn more details about the goals of the decisions the government has been making about the financial system and in general about the suspension of rights, currency exchange controls, and so forth. This address apparently has been postponed. We have reporter Vicente Briceno on the line. He is at Miraflores Palace. Let us see if he can tell us what is happening there and whether the address has been postponed. How are you, Vicente?

[Briceno] Hello, how are you? The scheduled address by President Rafael Caldera on social programs the government is going to expand was postponed, according to what we learned some time ago here at the presidential palace. This morning the chief of state attended the ceremony to decorate officers and noncommissioned officers of the military house at the Honor Guard Regiment. It was later learned that the president is not going to address the country as scheduled to discuss the commitments of solidarity in the social area.

[Announcer] Was another date or hour given for this address?

[Briceno] No, no information was given. I was just going to say that so far nothing has been said. Information will probably be given in the next few hours or days in view of the fact that the president postponed the event. We do know that Defense Minister General Rafael Montero Revette is meeting with the president right now. It was also learned that the president received a document from Venezuelan Shipping Company ground and sea personnel, who are worried that the Venezuelan Investment Fund has apparently decided to liquidate the state shipping company. [passage omitted]

Congress President Wants Measures Explained

PA0107133194 Caracas Union Radio Network in Spanish 1100 GMT 1 Jul 94

[From the "Union Radio News" newscast]

[Text] National Congress President Eduardo Gomez Tamayo has urged the government to explain the scope, implications, and specific forms of the emergency measures taken to face the economic problems. He added that it is very important that the country be well aware of the impact of the currency exchange controls, price controls, the suspension of certain constitutional guarantees, and the placement of the national banking system under government control. Gomez Tamayo does not believe that the creation of a National Financial Emergency Board to oversee banking operations nationwide means nationalization. He explained that nationalizing the banking system has not worked in any of the countries that have made such a move. Those nations have had to privatize their banks again.

Legislators Comment on Emergency Measures

PA0107135594 Caracas Union Radio Network in Spanish 1100 GMT 1 Jul 94

[From the "Union Radio News" newscast]

[Text] National Congress members have expressed their support for the government's decision to assume control over financial activities. They did, however, express certain doubts. According to Deputy Anono Ledezma, vice president of the Chamber of Deputies, the government has lost control of the situation and the economic crisis will continue until the state can restore the people's trust in the system. Deputy Gustavo Tarre Briceno of the Social Christian party said this measure will ease the people's fears about leaving their money in the bank as there will be no more bank interventions. Segundo Melendez, leader of the Movement Toward Socialism bench in Congress, believes the government's move was necessary and thinks President Rafael Caldera should change his cabinet to ensure a more effective team. Radical Cause Deputy Carlos Melo was surprised to find that full control of the banking system had been placed exclusively in the hands of the government.

Businessmen Demand Rights Be Restored

PA0207191694 Paris AFP in Spanish 1609 GMT 2 Jul 94

[Text] Caracas, 2 Jul (AFP)—Venezuelan businessmen and bankers have demanded the restoration of private property rights (one of the six constitutional guarantees suspended Monday), which they describe as "inalienable rights in an effective democracy."

Fedecamaras [Venezuelan Federation of Associations and Chambers of Commerce and Industry], the largest business association, and the Banking Council and Banking Association issued communiques this weekend rejecting the measures recently announced by Christian Democratic President Rafael Caldera to exercise more control over the economy.

Caldera, who assumed the Venezuelan Presidency in February, issued decrees this week to control prices and foreign exchange and created an agency to supervise financial institutions and impose "strict" controls on banks.

The measures were taken in the wake of a financial crisis that led to interventions in nine banks and the virtual paralyzation of the productive sector. The crisis drove inflation to almost 30 percent during the first six months of the year and resulted in a 100 percent devaluation of the currency during the same period.

President Caldera decreed that those measures be accompanied by the suspension of individual constitutional rights (freedom, inviolability of the home, and free transit) and economic rights (property, right to engage in any profitable activity, and expropriation only for public utility purposes).

Although the suspension of economic constitutional guarantees has not yet been applied, there have been some raids and several people, including some bankers, have been arrested over the past few days amid rumors of a possible military rebellion.

Representatives of the banking sector have expressed their "astonishment following threats of nationalization" of their activity and the denial and elimination of the right to private property. Business leaders represented by Fedecamaras are demanding respect for private property.

Their communique states: "The business sector hereby demands respect for the right to private property. This is an undeniable right of all people living in true democracy. Preserving the right to private property should not be seen as an obstacle to the government or to any other public authority in enforcing the law and penalizing violators."

"The suspension of the right to private property is even worse when combined with the suspension of the constitutional article dealing with expropriation," Fedecamaras states. The group argues that the suspension of this constitutional right "raises serious questions."

Caldera, when announcing the suspension of constitutional rights, said he was taking "such an extreme measure" in light of the failure of the government's other approaches to try to save the economy from its worst financial crisis.

The state has poured about $4.3 billion in financial aid into the banks involved in the interventions to guarantee savings account holders' money.

According to government reports, some bank officials placed the subsidy funds in money markets or used them to purchase foreign currencies, which was contrary to their intended purpose.

Planning Minister Resigns Over Recent Measures

PA0407185794 Madrid EFE in Spanish 1733 GMT 4 Jul 94

[Text] Caracas, 4 Jul (EFE)—The government's economic measures have led to the resignation today of Luis Carlos Palacios, minister of the Central Office of Coordination and Planning (Cordiplan), who said he disagrees with President Rafael Caldera's policy.

Palacios entered Caldera's administration first as development minister. A few weeks ago he took charge of Cordiplan following the first cabinet reorganization cabinet since the president took office five months ago.

The resigning minister disagreed with the government's decision to establish controls over currency exchange and the prices of essential products.

Although proposed as minister by the Movement Toward Socialism (MAS), Palacios supported liberal policies that contradicted those of the Caldera administration. The disagreements intensified following the decision to establish economic controls, and today the minister announced his irrevocable decision to leave the government.

Further on Resignation

PA0507000794 Caracas Union Radio Network in Spanish 2200 GMT 4 Jul 94

[Report by Zaida Pereira from the "Union Radio News" newscast]

[Text] Luis Carlos Palacios, Central Office of Coordination and Planning minister, has tendered his resignation to President Rafael Caldera, because his recommendations have not been heeded.

The coordination and planning minister has said we are facing a situation this year of inflation similar to last year, even worse, because the economy dropped 4.8 percent during the first three months of this year. He has said it is necessary to adopt macroeconomic measures to prevent the economic trend from becoming more traumatic.

Palacios has said it is expected inflation will register 70 percent this year. Regarding international reserves, Palacios has said these have fallen $3.5 billion.

He has resigned because he did not agree with the measures adopted by the government, in addition to the fact his recommendations were not heeded. These recommendations are to increase the price of gasoline to 15 bolivares in August of this year, to modify the social security system before any wage raise is granted, and to expedite privatizations. The minister has said the problem is being attacked rather than the structure, and, therefore, this would render the measures less effective.

Funds Allocated for Currency Exchange Control

PA0407140894 Caracas Union Radio Network in Spanish 1103 GMT 4 Jul 94

[From the "Union Radio News" newscast]

[Text] Upon leaving a meeting at the Finance Ministry, Minister President Carlos Bernardez Losada of the Venezuelan Investment Fund announced that the Bank of Venezuela will assign 30 million bolivares per day to back restricted foreign currency exchange operations. During the meeting, the officials set the final details for the new currency exchange agreement to be presented on Monday to the Economic Cabinet. The executive branch will make the appropriate announcement once it is approved. The minister president declined to announce the new exchange parity.

[Begin recording] [Bernardez] When you talk with two people, it is normal to have three or four different opinions about something. There is no single opinion.

[Unidentified reporter] [Words indistinct]

[Bernardez] It has to be sufficiently attractive and close to the real market so it does not create any distortions within the currency exchange market.

[Reporter] Does that mean the Central Bank can intervene to bring down the open market rates?

[Bernardez] The Central Bank can always intervene, based on its own criteria. [end recording]

Bernardez also announced that most import items, except luxury items, will benefit from the single exchange rate. At the same time this meeting took place here at the Finance Ministry, officials at the Development Ministry reviewed a list of products whose prices will be regulated by the Executive Branch. The final list will also be presented to the Economic Cabinet on Monday.

Fedecamaras on Suspension of Guarantees

PA0507010194 Caracas EL NACIONAL in Spanish 2 Jul 94 p 1 section E

[Communique issued by the Federation of Associations and Chambers of Commerce and Industry; date not given]

[Text] Fedecamaras [Venezuelan Federation of Associations and Chambers of Commerce and Industry], having analyzed the executive branch's decrees and, especially, the suspension of constitutional guarantees, having examined the legal and technical arguments on the matter, and having evaluated the repercussions these decisions are causing to internal and international order, believes it is necessary to define its position as follows:

1. Overcoming the social, economic, and financial crisis the country is facing must be achieved with measures and solutions based on the current legal system, maintaining constitutional guarantees, regardless of what public powers are needed need in order to apply the rules and establish sanctions against those who infringe them. There is no need to go to the extreme of curtailing freedom, which generates confusion, unrest, doubts, and lack of confidence, which, undoubtedly, worsen the crisis.

2. Due to the situation, which we recognize as extremely critical, we must do our utmost to strengthen a legal state, the basis of democratic order, so that the public powers can internally and externally present the solidarity that will lead to the reestablishment of confidence, which is a basic element for the country's recovery at all levels. We stress that government actions and actions by other public powers should be carried out with firmness, evenly and without difference, acting with the most wisdom not to complicate matters that are already delicate and dangerous.

3. As businessmen, and as citizens, we are demanding respect for the right to own property, because it is man's inalienable right in an effective democracy, in which we expect to live in order to develop our full potential and generate riches and well-being, which are what the people need in general. The government and other public powers should not consider the right to property as an obstacle to ensuring the respect for laws, and they should not apply sanctions to those who infringe upon them.

4. Fedecamaras stresses that denying the right to private property is worsened by the suspension of the constitutional rule on expropriation, which, according to the Constitution, can only be applied in cases of public utility and after fair compensation, a procedure that in this case is annulled and raises a huge question regarding its application.

5. Fedecamaras addresses both the national government as well as the legislative and judicial branches so that each complies with its work and responsibility and accepts the obligation to contribute, as the Constitution establishes, toward the achievement of the state's work. We demand the prosecutor general act with the required diligence, firmness, and speed to ensure compliance with the laws of the Republic and to defend the peoples' rights, regardless of their social or economic level. Likewise, we are requesting that the Supreme Court establish rules guaranteeing the application of justice and that the Judiciary Council expedite work in the tribunals so that the judges, to whom citizens are subject, deliver justice fairly and in a timely manner.

6. We favor the return of full legality as a basis for the establishment of a broad and comprehensive dialogue to help identify points of agreement that strengthen our belief the country does indeed have a way out.

Mayor Seeks Exchange Control Food Exemptions

PA0107181094 Caracas Union Radio Network in Spanish 2200 GMT 30 Jun 94

[From the "Union Radio News" newscast]

[Text] The Caracas mayor's office will ask the executive branch to study the exchange rate controls imposed on food imports.

Because most of Venezuela's food is imported, City Hall will make this request to guarantee food supplies for the coming months. In addition to guaranteeing imports, exemption from exchange rate controls would provide guarantees for production and agroindustry; this is the executive branch's duty. Meanwhile, City Hall, according to Mayor Aristobulo Isturiz, would handle the final phases of production. In other words, it will distribute, stock, and transport products.

[Begin Isturiz recording] My specific proposal calls for the government to make supply a priority when it adopts economic measures pertaining to the exchange rate and price controls.

I have asked the president to establish, upon implementing the controls in question, a special temporary exemption period of three months, or however long the government may deem appropriate, during which the security of the law will be granted to those who invest in food imports. This would eliminate risks and encourage investment in food imports.

It must be remembered that exchange rate controls require that the individual use his discretion if handling foreign currency. We have encountered supply problems even with an open and free exchange rate market. Therefore, control of the exchange rate may have a negative effect on supply.

Many people say that exchange rate controls cause shortages because if on a free foreign currency market there are supply problems, when the market is regulated and controlled and it is up to someone to decide who can and cannot have foreign currency, the possibility of importing is of course reduced considerably. To this end, controls adopted by the government should consider this issue and exempt food imports. [end recording]

Colombia Supportive of Financial Measures

PA0307035494 Caracas Union Radio Network in Spanish 0200 GMT 8 Jul 94

[From the "Union Radio News" newscast]

[Text] The ambassadors of the countries bordering Venezuela as well as the ambassadors of France and Jamaica have backed the emergency financial measures that President Rafael Caldera's government has adopted because these measures, in their opinion, will permit a continuation of bilateral economic agreements.

At the conclusion of a meeting in which government officials explained to the diplomatic corps the reasons for decreeing exchange and price controls, Colombian Ambassador Alberto Casas Santamaria said his country is not worried about this move. Casas said Colombia understands Venezuela's efforts to overcome the current crisis. He reiterated his government has stated its full support for President Caldera.

New Coup Attempt Detected in May, June

PA0207002694 Caracas 2001 in Spanish 1 Jul 94 p 1-10

[Report by Doris Villarroel]

[Text] A new subversive plan was being "cooked up" at the Maracay Air Force Base and was aimed at toppling President Rafael Caldera due to dissatisfaction within the Armed Forces as a result of the severe crisis through which the country is going and because of the manner in which military promotions are being handled this year, as favoritism toward certain high-ranking officers has been evident.

Military sources have unofficially disclosed that a group of officers recently acquitted and reinstated into the Armed Forces by President Rafael Caldera following their participation in the 27 November 1992 coup attempt could have participated in this new subversive plan. These officers have been under arrest since the night of 28 June, when they were allegedly discovered with an arsenal under their control.

It has been announced this subversive group will be placed under the jurisdiction of the military courts once preliminary investigations have concluded. Even though the sources have never mentioned the participation of officers from other branches, it has been said, however, several coup attempts organized by military officers from all the other branches and civilians were detected in May and June.

Intelligence Agencies Detain 17

PA0107224994 Caracas EL NACIONAL in Spanish 1 Jul 94 p 2 section D

[Report by Luis Alonso Lugo]

[Text] State intelligence agencies detained at least 17 people during a number of searches executed throughout the country in the past few hours after President Rafael Caldera announced the suspension of personal rights.

According to unofficial sources, DIM [Directorate of Military Intelligence] officials detained Lieutenant Jose Baltazar Nelo Lozano, who had been acquitted after being held at the San Carlos barracks for several months for his participation in the 27 November coup attempt, at his home in Maracay at 1000 on 30 June.

Nelo Lozano was apparently taken into custody for his alleged involvement in pro-Bolivarian 200 Revolutionary Movement public activities in Barinas State and for "inciting people to rebel." He was taken to DIM headquarters in Caracas but was released 12 hours later.

It has also been reported Abilio Lopez Perez, Episcopal vicar for Human Rights in Cumana State, has sent a note to Father Luis Olaso through the Attorney General's Office telling him that at 1900 local on 29 June DIM members, their heads enshrouded in balaclavas, armed with FAL rifles searched the home of lawyer Rosalia Fernandez and stayed until 0100, at which time they arrested the lawyer and her 16-year-old son, Roman.

Fernandez's relatives were received at the DIM office two hours later by a tall man in civilian clothes armed with an FAL rifle, his face covered. This man told them the lawyer could not receive visitors until she was interrogated, because "evidence incriminating her had been found" at her home.

The note reads that Fernandez, who was turned over to a military court yesterday, has frequently helped solve problems of harassment against members of the Red Banner and the recently disbanded Americo Silva Front.

Others Arrested

Meanwhile, authorized spokesmen from various human rights organizations, such as FCU [Federation of University Centers of Caracas], Support Network, Venezuelan Human Rights Education-Action Program, and the National Congress Human Rights Subcommission, have reported various arrests.

Disip [Directorate of Intelligence and Prevention Services] agents arrested Argelis Gonzalez Cordova (an anthropology student and UJR [expansion unknown]-Miranda secretary general), Victor Diaz (a midlevel education professor, president of the Cua neighbor association, and a Red Flag member), and Francisco Hernandez (a cultural leader and Red Flag member, in Charallave on 27 June.

DIM soldiers, armed with FAL rifles, arrested Robin Rodriguez (Red Flag acting secretary general in Anzoategui) in his home and raided the UJR-UDO [expansion unknown] center in Anzoategui in the evening of 28 June. Carlos Camacaro, UJR-Lara representative, was also arrested that night.

In addition, Luis Ochoa (a Social Development employee in the Caracas mayor's office) was arrested in his apartment located in Block 10 of Urdaneta Heights during the predawn hours of 30 June.

Also under arrest are Alejandro Carmona (a Santa Maria University law student), Efrain and Ruben Bracamonte (a Caracas pedagogic student), Pedro Infante (an Inmercal employee), and Luis Rangel (a sociology student and president of the neighborhood junta El Junquito) whose house is located in El Amparo de Catia, where DIM agents fired two FAL shots.

Lastly, witnesses saw the arrest of Nigel Barroeta (FCU secretary general in UDO and a UJR member) in his home, but the DIM and Disip have denied having him in their cells.

Request for the Summoning of the DIM Director

Pedro Veliz Acuna and Felix Acevedo are the others who have been detained, according to information given by Deputy Vladimir Villegas. Villegas has protested DIM's disrespectful treatment toward the congressional Human Rights and Constitutional Guarantees Commission, which was prevented from visiting the detainees. He has said he will request that the DIM director be summoned. Villegas said facts are proving Caldera wrong. Caldera has said the suspension of guarantees was to control those responsible for the financial chaos, and in practice only social activists are being arrested.

Defense Minister Denies Coup Plot; Probe Ongoing

PA0107195994 Paris AFP in Spanish 1839 GMT 1 Jul 94

[Excerpt] Caracas, 1 Jul (AFP)—Venezuelan Defense Minister Rafael Montero Revette has again denied reports of an alleged coup attempt staged by Air Force Chief Otto Garcia Rivera but said that all reports of alleged conspiracies are being investigated.

In a news conference this Friday, Montero Revette said "we are investigating a large number of rumors that need to be cleared up," but he reiterated that "there is no plan being carried out at any Air Force Base." Montero Revette was referring to reports that the government of President Rafael Caldera, a Christian Democrat, uncovered a coup attempt at the Air Force Base in Maracay (70 km west of Caracas).

Montero Revette said that intellectual Manuel Quijada, who had demanded the resignation of former President Carlos Andres Perez and was held under arrest by military authorities following the 27 November 1992 coup attempt, and retired General Santiago Ramirez were recently summoned by the Directorate of Intelligence and Prevention Services "to explain reports," the nature of which he did not specify. The minister said Quijada and Ramirez have already been released.

He also said that two officers assigned to Maracay were asked to testify this week before the Military Intelligence Division (DIM), "not regarding a coup but on other problems, and they later returned to their installations."

"Everything is normal at the Armed Forces. We are celebrating promotions. There is happiness and a cordial atmosphere," the minister said.

The minister, however, did mention "some arrests" in the eastern provinces of Anzoategui and Sucre. The arrested persons are currently at DIM, but he did not reveal their names.

"One person had a grenade, military uniforms, battle gear, and subversive material. They are being interrogated, and those who have no part in this will probably be released," he said.

When asked about an alleged conspiracy by former Defense Minister Radames Munoz on the Caribbean island of Aruba, Montero Revete said: "I cannot say whether he is conspiring or not." He added: "All reports are being investigated. He (Munoz) is outside the country and I cannot confirm that report, but we are investigating; not him or any other person in particular, but all reports we have received."

Munoz was defense minister during the temporary administration of President Ramon J. Velasquez (1993), but Caldera requested his resignation on 2 February, just a few days before taking office. Munoz then requested his retirement from the Armed Forces, and Caldera appointed Montero Revete as new defense minister.

Referring to the suspension of civil rights (freedom, privacy, and free movement) and economic rights (property, the right to carry out any profitable activity, and expropriation only in cases of national interest) ordered by President Caldera last Monday, the minister said it was directed at "ending the wave of rumors."

"There are several reasons: to end the rumors, to get to the bottom of the destabilization plot," and to counter the hoarding of food supplies for speculation. "Any destabilization plot there may have been has been completely eliminated," he affirmed. [passage omitted]

More on 'Plot' Remarks

PA0107181994 Madrid EFE in Spanish 1734 GMT 1 Jul 94

[Text] Caracas, 1 Jul (EFE)—Venezuelan Defense Minister General Rafael Montero today reported the elimination of "a destabilization plot" and added that soldiers and civilians, including bankers, were summoned to clarify "certain rumors" on which he refused elaborate.

Gen. Montero, in statements made at Miraflores Palace, confirmed that there were "some raids" in Caracas and other parts of the country and added that weapons, military uniforms, and subversive propaganda were found.

The defense minister flatly refused to provide more details on the scope of the destabilization plot and on those involved.

The investigation being conducted by the Venezuelan security services is taking place amid a state of emergency established by the administration of President Rafael Caldera on Monday, when the president suspended important political and economic constitutional guarantees.

Denies Reports of Alleged Plot

PA0107180694 Caracas Venezolana de Television Network in Spanish 1716 GMT 1 Jul 94

[Statement by National Defense Minister Rafael Angel Montero Revette; place not given; broadcast in progress—live]

[Text] ...to the Directorate of Military Intelligence [DIM] to talk to them to clarify a situation, but not to talk about coups d'etat. These officers, as any citizen summoned, were interrogated and returned to their respective units. At this time, the situation in the Armed Forces is totally calm.

Today, we are celebrating promotions from colonel to sublieutenant. There are ceremonies at all military units. There is joy and cordiality within the military institution, I can assure you. Tomorrow there will be ceremonies for officers promoted to division general, vice admiral, rear admiral, and brigadier general. The military parade will be on 5 July. I take this opportunity to invite the people of Caracas to view the military parade on 5 July on Proceres Avenue. Thank you.

[Reporter] We have just heard a statement by the defense minister, who has clarified and categorically denied reports of an alleged military coup supposedly plotted in Maracay. He admitted that the DISIP [Directorate of Intelligence and Prevention Services] summoned some bankers but denied their homes were raided.

Denies Raids on Bankers' Homes

PA0207183694 Caracas Venezolana de Television Network in Spanish 1600 GMT 2 Jul 94

[From "The News" newscast]

[Text] The situation created by raids on bankers' residences based on the suspension of constitutional guarantees is still unclear. Many feel that the government has exceeded its authority by conducting those raids. Defense Minister Division General Rafael Angel Montero Revette said the raids are being conducted to stop the wave of rumors and to uncover the details of an alleged destabilization plan.

[Begin Montero recording] No banker's home has been raided. Some bankers may have been summoned so we could obtain information from them, but there have been no raids or arrests. Remember that we are investigating a series of rumors, therefore we must summon several people to clarify the information we have. Those people could be bankers, citizens, teachers, or anyone, but we must clarify those rumors. No one has been arrested. [end recording]

Interior Minister Ramon Escovar Salom announced that he issued special instructions to police authorities throughout the country to prevent abuses in the implementation of the decree suspending constitutional guarantees. He categorically denied that airports and border posts had been instructed to prevent representatives of financial institutions from leaving the country. Such a measure would be under the jurisdiction of judicial authorities, and the rumors are groundless.

Businessman Orlando Castro, whose home was raided, said he is a man of profound democratic convictions and denied any links with presumed conspiratorial activities.

[Begin recording] [Castro] I am dedicated to working at my company, helping the country overcome the current situation, and hoping things will improve.

[Unidentified reporter] Have you been involved in anything like this before?

[Castro] Never, never. This is unbelievable. I do not think this has ever happened in our country before. A person is summoned by having his house raided at 2330? That is unbelievable. I have lived through many crises in Venezuela. In the 33 years I have been working, I have seen that we have always been able to overcome those crises. This is a difficult situation, but I hope we can find a solution. We must all work together to resolve our problems and move on. [end recording]

The Directorate of Military Intelligence also detained retired Division General Carlos Santiago Ramirez, who was released after several hours of interrogation.

Says Raids To Continue

PA0307034894 Caracas Union Radio Network in Spanish 0200 GMT 3 Jul 94

[From the "Union Radio News" newscast]

[Text] Speaking during a ceremony at the Defense Ministry for the promotion of officers to the ranks of division general, brigade general, vice admiral, and rear admiral, Division General Rafael Angel Montero Revette, defense minister, said raids and summonses will continue until all the reports he has received have been checked. Commenting on the raids, Montero not only pointed out those reports stemming from rumors of subversive activities but spoke about monopolies as well:

[Begin recording] [Unidentified Reporter] Will the raids continue and will certain people be detained due to a subversive plan?

[Montero] We cannot say the raids will continue just for the sake of it. There are reports we are checking. Certain people, regardless of their professions, will be summoned to clarify these reports. The raids will continue, particularly to locate hoarded food, which will then be sold to the public. In addition, the raids will serve to arrest individuals who are the scourges of their neighborhoods and whose arrest has been demanded by the people. [end recording]

Montero also said banker Orlando Castro was not detained by security agencies but summoned by the Directorate of Intelligence and Prevention Services. Nevertheless, the minister urged the people not to pay attention to rumors because they do the country no good.

In addition, Prosecutor General Ivan Dario Badell has said no abuses were committed during the raids conducted by security agencies.

[Begin Badell recording] Regarding your specific question, one public prosecutor was present at each of those raids; consequently, I doubt there have been any abuses. The home visits to which you allude were indeed made, but the participating authorities committed no abuses. [end recording]

Badell has said if any of the individuals, whose homes or offices were raided, feel they have been violated, they should file a complaint at the Prosecutor General's Office.

During the promotion ceremony, President Rafael Caldera made a short speech praising the role of the Armed Forces and congratulating the newly promoted officers.

DIM Frustrates Plot Against Caldera

PA0107172694 Mexico City NOTIMEX in Spanish 1624 GMT 1 Jul 94

[Text] Caracas, 1 Jul (NOTIMEX)—The Venezuelan Directorate of Military Intelligence (DIM) frustrated a subversive plan to overthrow President Rafael Caldera in which former coupist soldiers were involved, press sources reported today.

The Caracas daily "2001" disclosed that military sources reported a presumed plot against the government that was to begin at Maracay Air Base, 100 km west of the capital.

The plan would reportedly be carried out by Armed Forces officers who participated in two coup attempts in 1992 against then President Carlos Andres Perez, whom Caldera himself pardoned during the first quarter of this year.

The daily reported that between May and June the Armed Forces intelligence agencies have detected various plans against Caldera as a result of discontent over the grave social crisis and the handling of military promotions this year.

The daily EL NACIONAL reported that 17 persons have been detained in the past few hours during raids conducted by security forces throughout the country to counter presumed subversive plans.

Based on unofficial reports, among those detained are activists of the Bandera Roja guerrilla group and followers of the 200 Revolutionary Bolivarian Movement (MBR-200)

It was learned that Priest Luis Olaso, who is responsible for human rights issues at the Prosecutor General's Office, was alerted about presumed abuses committed by DIM members against civilians near Cumana, approximately 400 km east of Caracas.

Three days ago, President Caldera suspended constitutional guarantees, including Articles 60, 62, and 64 of the Constitution, which guarantee the rights not to be detained without justification, the inviolability of the home, and free transit.

Air Force Commander Denies Destabilization Plan

PA0107190394 Paris AFP in Spanish 1719 GMT 1 Jul 94

[Excerpt] Caracas, 1 Jul (AFP)—Air Force Commander General Otto Garcia Rivera today denied reports that the government had frustrated a destabilization plan hatched at Libertador Air Base in Maracay, 70 km west of Caracas.

According to the reports, officers who participated in the 27 November 1992 rebellion were involved in the plan. The 27 November 1992 action was the second that year against the now imprisoned former Social Democratic President Carlos Andres Perez.

At the same time, journalist Vladimir Villegas, chairman of the Chamber of Deputies subcommission on human rights and constitutional guarantees, and other congressmen reported the arrest of seven civilians by agents of the Directorate of Military Intelligence (DIM) in Caracas yesterday. Villegas said that DIM officials

denied them access to the arrested people, who are students and employees of the Caracas mayor's office.

Reports indicated that the officers, unhappy with the country's grave situation and the way military promotions were handled, planned to overthrow President Rafael Caldera who, since taking office on 2 February, has followed a policy of making peace with the military through amnesty in exchange for the discharge of the leaders. Officers absolved of political responsibility in the rebellions have even been reincorporated into their respective military branches.

General Garcia also affirmed that today several of those officers were promoted in ceremonies held at the country's air bases.

He indicated that in the past days he visited all air bases, including Libertador in Maracay, and confirmed that everything is completely normal.

Libertador is the country's main air base and is the location from which the pardoned and retired General Francisco Visconti directed the air attacks on Caracas to force Perez's downfall. When the action failed and Visconti was about to be arrested, he fled to Peru with about 100 of his men aboard a Hercules plane. Visconti was the last to return to Venezuela to accept the pacification policy following the resolution of the situation of his subordinates. On Saturday he held a cordial meeting with Caldera.

The only rebel officer to maintain bitter relations with Caldera is Army Commander [as received] Hugo Chavez, leader of the 4 February 1992 military rebellion and leader of the Revolutionary Bolivarian Movement (MBR-200), who has warned of the danger of a civil war in Venezuela. Chavez, who since his release has remained critical of Caldera, was removed from Carabobo field on 24 June when he tried to watch the ceremony commemorating Venezuela's main independence battle. Army Day is also celebrated on that day. [passage omitted]

Development Minister Discusses Food Plan

PA0107180894 Caracas Union Radio Network in Spanish 2200 GMT 30 Jun 94

[Report by Cecilia Cayone from the "Union Radio News" newscast]

[Text] Development Minister Alberto Poletto expects that by the second half of July he will have implemented a solidarity supply program. The minister divulged this information after appearing before the Deputies' Economic Commission. He emphasized that in order to implement this program, poor areas will have designated supply points. Minister Poletto also said that the program will begin in Caracas and later be extended to the country's interior. Minister Poletto explained how the project will be implemented:

[Begin Poletto recording] The national cooperative system will permit us to set up a working infrastructure. The government's start-up budget will allow for discounts between 30 and 40 percent for certain agricultural products and between 20 and 25 percent for packaged food products. These will be delivered directly to poor neighborhoods. The program will begin in five Caracas neighborhoods and will be widened to reach approximately 400,000 families over the course of the year with over 90 distribution points throughout the country. [end recording]

Minister Poletto was asked to specify the date on which the executive branch will announce the president's decision on the PVP [precio de venta al publico; price for sale to the public] of various articles. He reiterated that it will be impossible to set prices until the currency exchange parity is established.